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Southeast Asia Report



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BURMA

THAI PAPER ON REBEL ACTIVITY PRIOR TO ELECTIONS

BK040127 Bangkok THE NATION in English 4 Oct 85 p 2

[Text] Mae Sot, Tak--Fighting between the Burmese government troops and Karen rebels is expected to escalate opposite this border town during a two-week polling period of the Burmese general elections which will start on Sunday. A Thai woman was killed Wednesday when a stray shell crashed into Thai river, police sources said.

The sources said the Karen National Liberation Army (KNLA), in an attempt to disrupt preparations for the Burmese general elections, launched several mortar barrages at the Burmese position in Myawaddi of Burma, drawing a Burmese retaliation with mortar and artillery fire during the past few days.

They said the Karen rebels Wednesday fired more than ten 81mm mortar shells from their base at Wang Kha, opposite Wang Kaeo village about ten kilometers from here, into Myawaddi, causing the Burmese government troops to retaliate with mortar fires.

According to the sources, one of the mortar shells, believed fired by the rebels, landed on an atoll in Moei river which borders the Thai-Burmese frontier. A Thai woman, identified as Ngoui Iminta, 64, was killed by shrapnel while fishing in the river with her two granddaughters, the sources said.

According to the sources, Ngoui's two granddaughters were safe. The sources said the Burmese authorities held a meeting in Myawaddi on Wednesday to prepare for the elections.

They said the Burmese government has reinforced its troops at several routes and roads which lead to the Thai-Burmese border in anticipation for the rebel attack during the general elections.

The sources said the Karen rebels are expected to launch mortar barrage into Myawaddi to prevent the Burmese people from going to vote.

According to the sources, the Thai authorities have prepared to push back the Burmese people who might cross the border into Thailand in case the fighting between the forces breaks out.

They said the Thai government might allow the Burmese villagers, fleeing the fighting inside Burma, to take temporary refuge.

The sources said an evacuation area has been prepared for the Burmese villagers in the vicinity of a Thai village of Ban Huai Kralok. However, the Burmese villagers who cross the border will be strictly controlled by the Thai authorities, the sources said.

CSO: 4200/34

BURMA

BRIEFS

BURMA CONDEMNS ISRAELI ATTACK--The Foreign Ministry has released a statement issued today by the Government of the Socialist Republic of the Union of Burma. It states that the Government of the Socialist Republic of the Union of Burma is distressed at the attack by the Israeli Air Force on the Palestine Liberation Organization headquarters in the Republic of Tunisia on 1 October 1985. The statement added that it has always been the position of the Government of the Socialist Republic of the Union of Burma that the countries in the Middle East should uphold the principle of respect for the sovereignty, territorial integrity, and political independence of every state in the area, including Israel. The Government of the Socialist Republic of the Union of Burma therefore condemns the deliberate violation of this principle on the part of Israel. It is hoped that similar acts of violence will not reoccur if a just and durable peace is to be achieved in the area. [Text] [Rangoon Domestic Service in Burmese 0130 GMT 5 Oct 85 BK]

CSO: 4211/5

INDONESIA

MURDANI, RUDINI INDUCTED INTO DPR, MPR 1 OCTOBER

BK070620 Jakarta MERDEKA in Indonesian 2 Oct 85 pp 1, 9

[Text] Jakarta, Tuesday [1 October], MERDEKA--Amir Makhmud, chairman of the House of Representatives [DPR] and the People's Consultative Assembly [MPR], installed 32 high-ranking and middle-ranking officers of the Indonesian Armed Forces as MPR members at Parliament Building at Senayan on Tuesday morning. The officers belong to the Armed Forces Faction and the Regional Faction in the assembly. Three of them were installed as DPR and MPR members to replace their predecessors, who have died or been transferred to other posts.

Among the newly installed MPR members are General L.A. Murdani, Armed Forces commander and commander of the Security and Order Restoration Command, and Army Chief of Staff General Rudini.

In his speech, Amir Makhmud reiterated that those sitting in the DPR and the MPR represent all the people. "Accordingly, we have the obligation to fight for the people's aspirations and wishes in accordance with Pancasila and the 1945 Constitution, and we must not fight for the aspirations of hypocrites," Amir Makhmud stressed.

Amir Makhmud went on to say that the assemblies under his leadership do not fight for the aspirations of individuals or groups showing antipathy toward the success of national development. "However, the DPR and the MPR, as democratic means, do not 'close their doors' to the people's positive and constructive aspirations," he said.

He was also determined that, in accordance with their functions, the DPR and the MPR will always adopt an "open-door" system through the above criteria. To fight for aspirations compatible with Pancasila, "We must adhere to the principle that the state is above any groups or individuals, as required by the 1945 Constitution," he explained.

This, he said, means that all the DPR and MPR members must place the national, public, and people's interests above their individual or group interests.

In other words, the members must no longer give priority to the aspirations of their parties or groups even though they belong to various political parties and the Functional Group.

"They must be fully united for the people's interests so that the national interests are always above all."

Amir Makhmud added that the functions and duties of the MPR and the DPR must be based on democratic, constitutional, and legal principles. "All their decisions must be democratic, based on the 1945 Constitution, and legal in the sense that the institutions must abide by the laws in force in carrying out their functions and duties."

He said that the three principles are very important. There would be difficulties, tension, upheavals, and disturbances threatening the Pancasila democracy if the principles are violated.

In addition to L.B. Murdani and Rudini, the newly installed members are Major General Gumarso, Infantry Colonel Sutrisno, and Brigadier General Suryo Marjito as DPR and MPR members and Marine Lieutenant General Kahpi Suriadireja, Lieutenant General Suparjo, Major General Sarwo, Major General Nana Narundana, Major General Harsudiyono Hartas, Brigadier General Suropto, Brigadier General Bustandi A. Mustafa, Major General Sularso, Brigadier General I Gde Awet Sara, Major General Samsudin, Brigadier General Parjoko Suryokusumo, Major General Raja Inal Firegar, Brigadier General Sutejo, Major General H. Simanjuntak, Major General Daminanus Sutarto, Brigadier General Bakhtiar, Rear Admiral Emir Manyaweang, Brigadier General Poniman, Infantry Colonel Eddi Sudarmadi, Colonel Nurazril Nurdin, Colonel Akhmad Makhmud, Artillery Colonel Marjuki, Artillery Colonel Yohanes Sumaryono, Cavalry Colonel Jatiwaluyo S., Infantry Colonel Nendi Effendi, H. Suwandi, and Mrs Ajang Ratmini Syahrani [as MPR members].

CSO: 4213/5

INDONESIA

BRIEFS

TRADE WITH EAST EUROPE--Jakarta, Wed [2 October], **KERDEKA--**President Suharto has called for more concrete steps to promote trade and economic relations with East European countries because the promotion of these relations is relevant with national development efforts, particularly nonoil and nongas exports. The head of state made the call in a limited cabinet session on economic, financial, and industrial affairs at Bina Graha on Wednesday. Earlier, he told the session of the outcome of his visits to Turkey, Romania, and Hungary from 13 to 24 September. President Suharto said that coordination and marketing tenacity are necessary to promote the trade and economic relations. The cabinet session was attended by Vice President Umar Wirahadikusumah and the ministers concerned. [Excerpt] [Jakarta MERDEKA in Indonesian 3 Oct 85 pp 1, 11 BK]

BOOKS CONSIDERED ANTI-MUSLIM BANNED--Jakarta--In a letter dated 7 September 1985, Attorney General Hari Suharto has banned the distribution of a number of books considered harmful to unity among Muslims, in particular, and national unity and cohesiveness, in general. According to the Indonesian attorney general, the decision was made because printed material, books, and cassettes edited by Nazwar Syamsu and Dalimi Lubis contain teachings deviating from Islam and try to develop the teachings of the Inkarussunah sect. The Inkarussunah sect was banned by the government through the Letter of Decision of the Attorney General No 169/JA/9/1983 dated 30 September 1983. The attorney general requires people who are possessing, distributing, selling, and reproducing these printed material, books, and cassettes to hand them over to the local district or high prosecution offices. [Text] [Jakarta BERITA BUANA in Indonesian 3 Oct 85 pp 1, 7 BK]

CSO: 4213/5

MALAYSIA

MALAY RIGHTS DEFENDED AGAINST PAS CRITICISM

BK060806 Kuala Lumpur UTUSAN MALAYSIA in Malay 18 Sep 85 p 8

[Editorial: "PAS and the Malays' Special Rights"]

[Text] The Pan Malaysian Islamic Party's [PAS] plan to abolish the special rights of the Malays and the beneficial economic program for the indigenous people when and if it comes to power as stated by its vice president, Haji Abdul Awang, last Saturday has become the current hot topic.

The reaction of the Malay community and especially the United Malays National Organization is uniform--our country will head for destruction and chaos if the strong, long-standing Malay identity is weakened and scrapped. Even the non-Malay community, which should be happy at PAS' effort, has viewed it with extreme caution and is conscious that Haji Hadi's statement is a political ploy to pull the wool over the eyes of the non-Malays concerning PAS' struggle, which has frightened them.

In addition to these reactions to Haji Hadi's plan, people also presume that his statement comes in a continuous effort to widen political influence among the Chinese and Indian communities since PAS' Islamic program among the Malay community has failed to bring about the desired result. What Haji Hadi suggested on behalf of PAS, in fact, not only creates political sentiment but also has potential legal implications, especially for sedition. This is because we all are aware that the situation of the special rights of the Malays has been a sensitive issue since the bloody incident of May 1969 and has become an issue that cannot be openly discussed.

The current question is whether the issue of the special rights of the Malays can be considered sensitive when touched upon by non-Malays and nonsensitive when discussed by the Malays themselves, as it was by Haji Hadi in Terengganu last Saturday. Maybe the government's attorneys and their private counterparts can specify the issue in regard to Haji Hadi's statement.

Moreover, it should be accepted that the special rights of the Malays, which were agreed upon in negotiations by the country's leaders before independence, are an effort to ensure that the indigenous people receive socioeconomic benefits from independence.

It is clear that the special rights have greatly benefited efforts to upgrade the Malay and Muslim community in this country, especially in the educational field, enabling thousands of Malay youths to attend various institutions of higher learning under government sponsorship.

The point is that, as long [word indistinct] Malay community is still not on a par with the non-Malays in the economic, social, and educational fields as agreed upon in 1957, the special rights of the Malays are needed, and the non-Malay community will raise no opposition, because they have agreed to these rights.

CSO: 4213/6

MALAYSIA

PAS LEADERS CLARIFY STAND ON MALAY RIGHTS

BK060420 Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Sep 85 pp 1, 6

[Text] The Pan Malaysian Islamic Party [PAS] today clarified that special Malay rights will automatically be abolished if it comes into power because the present constitution will be replaced with Islamic laws that guarantee wider justice for Muslims and non-Muslims. PAS Vice President Haji Nakhaie Ahmad, who stressed the clarification, also said that his party accepts Bahasa Malaysia as the official language, but recognition of the other languages should also be encouraged. However, in a separate statement yesterday in Ulu Terengganu, another PAS vice president, Haji Hadi Awang, said all languages can become official because, when this country comes under Islamic rule, it will be irrelevant for PAS to take the African language as the official one.

Haji Nakhaie stressed that the rights of the Islamic people are guaranteed by Islamic law without the need for special laws to protect those rights. He told newsmen at PAS headquarters here, "The concept of abolishing the special rights of the Malays does not arise if we are in power because the Islamic laws we will introduce will guarantee wider justice to Muslims and non-Muslims in comparison to the existing constitution."

A press conference was called in an effort to correct the newspaper report that had caused public confusion after the statement by PAS Vice President Haji Hadi Awang guaranteeing that the special rights of the Malays will be abolished if PAS comes to power.

Haji Nakhaie, concurrently PAS information chief, said that the actual PAS stand, which has been repeatedly stated by PAS leaders including Haji Hadi Awang, is that the rights of Muslims and non-Muslims will be better guaranteed if this country is administered according to the real Islamic system and laws, and if basic Islamic policies are implemented. He said, "The guarantee that Islam affords to protect the peoples' rights is based on justice. What we want to state and have always stressed is that there will be a more acceptable guarantee of the rights of Muslims and non-Muslims if this country is governed according to Islamic teachings and the Islamic system."

Haji Nakhaie guaranteed that if PAS governs the country, the Muslim people's rights will not be limited only to the issuance of scholarships of truck and

taxi permits, Islam's guarantee covers a more meaningful and just scope. The guarantee that PAS promises is social justice. The rights to belief moral security as well as political rights, he stated, are not found in the present constitution. He said that, even though the country's constitution stipulates the special rights of the Malays and Islam's status as the official religion of the federation, it does not symbolize the desire and aspirations of the people's struggle because it was drawn up by the colonialists.

When asked if the PAS statement can be considered seditious because the issue of the special rights of the Malays has been agreed upon by all the races, Haji Nakhaie said, "PAS does not want to discuss and question the special rights of the Malays as laid down in the constitution because it is included in the sensitive issues. But we can debate from the angle of its implementation, which is clearly observed to be off track. We do not question the special rights of the Malays, but we want all the races to taste justice in politics, the economy, and the right to be free."

Haji Nakhaie also touched on the question of Bahasa Malaysia's being the official language, saying that PAS accepts it but the party also wants additional encouragement for the other languages to develop. He then quoted a verse from the Koran saying that a language is God's gift to humans and a symbol of God's greatness. He said, "Language is a natural human possession. If we are the enemy of any one of the languages, then we are opposing God. The Prophet Muhammed also encouraged Muslims to learn various languages."

CSO: 4213/6

MALAYSIA

BRIEFS

INFILTRATION ATTEMPTS BY COMMUNISTS--Security forces recently succeeded in detecting several infiltrations by communist terrorists trying to expand their influence and gain assistance in Negeri Sembilan. The acting inspector general of police, Tan Sri Mohamed Amin Othman, said these attempts show that communist terrorists still intend to continue their useless struggle. Security forces were also involved in several clashes with communist terrorists in Perak, Selangor, and Pahang recently. He called for vigilance even though all threats posed by these terrorists have been contained because the terrorists are still seeking the opportunity to gain support. Tan Sri Mohamed Amin was speaking during the inauguration of the annual conference of the Police Noncommissioned Officers' Association in Ipoh this afternoon. On crime, he said that the crime rate in large cities such as Kuala Lumpur, Petaling Jaya, Pulau Pinang, Johor Baharu, and Ipoh has been increasing over the past 2 years. The government will continue to redouble efforts to eradicate criminal activities because they have negative effects on national economic development. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 7 Oct 85 BK]

CHIEF OF DEFENSE FORCES--Prime Minister Datuk Sri Dr Mahathir Mohamed, who is also defense minister, in a statement said that the commander of the Army, General Tan Sri Mohamed Ghazali Haji Che Mat, will succeed retiring General Tan Sri Ghazali Datuk Seth as commander of the defense forces effective 1 November. He also announced that army Deputy Commander Lieutenant General Datuk Mohamed Hashim Mohamed Ali, will be promoted to general and hold the post of commander of the Army effective 1 November. Lieutenant General Datuk Yaacob Mat Zain will hold the post of deputy commander of the Army. [Summary] [Kuala Lumpur International Service in English 0800 GMT 5 Oct 85 BK]

CSO: 4200/37

NEW CALEDONIA

REASONS FOR LOW MORALE AMONG POLICE DISCUSSED

Paris LE MONDE in French 1-2 Sep 85 p 16

[Article by Frederic Filloux]

[Text] Noumea--On 26 August, less than 24 hours after Mr Francois Leotard's statements accusing the police of passivity (Le Monde, 22 August), Gen Jacques Debarge, commander of the New Caledonian police force, addressed a message to each of the territorial brigades in order to forestall the disastrous effects these statements could have on the already battered morale of his troops: "The protection of persons in danger is not only the traditional mission of the police, it is a sacred duty from which none of us can exempt himself, even at the risk of his life. No instruction, no order, ever has or ever could restrict the exercise of this duty. Intervention must be spontaneous and immediate, and all means must be employed to achieve the desired goal, within the limits of the penal code and our regulations. Assisting a person in danger remains an overriding obligation, and in no case can inaction be justified by the need to await an order from a superior." "Very welcome clarification," commented one of the message's recipients, "certain directions given previously led one to believe that intervention was not always desirable..."

Another purpose of this internal memo was to dissipate the uneasiness that has prevailed since the criticism advanced by the secretary general of the Republican party. The police are fed up with being everyone's target, and if morale is currently not very high--especially among the officers--it is more the result of these stances, rather than of daily working conditions.

"I was terribly disappointed in Leotard," declared a "territorial" officer, unlikely to harbor much sympathy for the socialists in power. "All these politicians that run around aggravating matters in sensitive regions can't think of anything better to do than condemn us when faced with problems they created themselves. They all forget to give us credit for a very clear-cut normalization of the situation in this territory."

With respect to the non-intervention in Thio, during the agitation that coincided with Leotard, Chinaud and Medecin's 21 August visit, a high-ranking officer commented: "Many people don't understand that in some cases you put a

person in danger at greater risk by intervening than by not acting. In the case of Thio, if we had used grenades, the members of parliament and their entourage would have suffered more harm than seven broken windshields. It wasn't a question of order or lack of order, but of limiting breakage that was inevitable, that's all."

Following these incidents, the high commissioner published a communique indicating that the instructions given the police by the administration called for "a very active and close protection of the parliamentary delegation." The Noumea general staff finds these instructions following the incidents much more precise than they were before. "If the orders had been as explicit from the beginning," they point out, "we would have followed them literally. Give us some credit!" It is rumored, moreover, that from now on Gen Debarge will solicit written orders from the high commission to avoid any error in interpretation. This potential precaution tends to irritate Fernand Wybaux's entourage, where it is believed the regulations are not specific enough.

An Absurd Order

The national police have a tough job. Since the beginning of the Caledonian crisis, the affronts they have suffered have symbolized the FLNKS [National Socialist Kanak Liberation Front] independence partisan's challenge of state authority which has been re-established today. Repeated attacks, which began shortly before 18 November 1984, combined with incoherencies within the command, resulted in humiliations which the police will not forget soon.

Nine months later, the order most discussed by the police themselves was the one depriving the brigades of their ability to defend themselves. Last 21 November, probably at the invitation of the administrative authority, the colonel, who commanded the territorial and mobile police at the time, ordered that "collective" weapons, namely, machine guns, automatic pistols and grenades, be removed from the cantonments. The reason being that certain brigades, operating with a skeleton staff, were being harassed, leading to the supposition that an invasion, which would have allowed the FNLKS to carry off these weapons, was imminent.

Thus, during the hottest point of the insurrection at the end of 1984, the police were left with only their personal revolvers to defend themselves. The result was that several brigades in the north and on the coast were occupied--in some cases, for weeks--by militant independence partisans who humiliated the police and traumatized their families. "It was an absurd order!," chorused high-ranking functionaries and officers, "It amounted to purely and simply abandoning the police to the FLNKS, and it was contrary to all the regulations."

They are alluding to the 20 May 1903 decree requiring the police to defend persons and property within their jurisdiction using all means in their possession. "It was all the more ridiculous because it would not have been necessary to kill anyone to defend ourselves," stated a brigadier. "Knowing the Canaques like I do, a fire shot from an automatic pistol over their heads would have been enough to dissuade them." Today, the situation has changed: "Instructions are no longer the same," Gen Debarge indicates, "and I can assure you that no one will ever again enter a brigade."

Without Batting an Eye

Despite all this, the police still feel this particular initiative was a capitulation and do not think it necessary to add to the offense by repeating far-fetched information, such as the alleged searching of their vehicles by the FLNKS ("information" reported by Leotard).

This resentment has developed into a strong desire to have it out with the independence partisans. This is especially evident among the mobile police, a great many of whom--including officers--have openly chosen their side, that of the caldoces.

"We've been looking at them for a year without batting an eye," sighed a young mobile policeman during the last roadblocking in Thio, at the beginning of August. "As far as I'm concerned, I've decided, I'm voting for Le Pen. Besides, he's got the votes of the squad..."

This patent exasperation among the mobile police is the result of several factors, besides an impatience to "settle the score with the Canaques." Living conditions in the mobile police squads are provisional. One of them remarked, "It is purely by chance that Charles Hernu was shown around the least shabby cantonment." Certain officers stress that the excessive number of mobile police--there are currently more than 2,000 and they will receive reinforcements of at least 800 men for the elections--accounts for idleness that lowers everyone's morale.

Finally, police methods for maintaining order seem ill-adapted. The rigidly hierarchical structure of the police force leads to an overdeployment of forces. Classic operations like the clearing of a roadblock take on the appearance of large-scale military operations, hardly very glorious.

The administration is worried. "The mobile police units are not adapted to the contingencies of maintaining order in the brush," observes Wybaux's entourage. They are too heavy to maneuver thus undermining their effectiveness in the field as well as their image in the public's eye. Fortunately, they are disciplined, which eliminates blunders."

The police have as much difficulty accepting these criticisms as they do those of the parliamentary opposition, the majority of whose positions, however, they seem to embrace.

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CSO: 4219/74

PHILIPPINES

VERITAS EDITORIAL URGES MARCOS TO CONSIDER WHOLE NATION

HK040643 Quezon City VERITAS in English 8 Sep 85 p 4

[Editorial: "A Birthday Wish for Mr Marcos"]

[Text] Next Wednesday, Mr President, you will be celebrating your birth anniversary. As you start your sixty-eighth year of life in your twentieth year in Malacanang, we have one fervent wish: may you grow in wisdom as well as in age.

For making this wish, we no doubt will be criticized. For there are many among us who think that you are already wise beyond your years, far too wise, in fact, for the nation's good and the people's peace of mind.

But these critics, we are afraid, equate wisdom with cleverness. Or shrewdness, even astuteness.

In this light, therefore, you were wise when, very cleverly, you diverted public attention from the unexplained wealth and impeachment issues by floating rumors of a snap election. Having done this, you showed even more cleverness when you squelched the possibility of a snap election by claiming that a nationwide survey (which many suspect was never undertaken) had revealed that the people were overwhelmingly against the idea.

You were very wise when, with incredible shrewdness, you assigned the Aquino--Galman murder case to a tribunal which hitherto had specialized only in trying graft cases filed against errant postmen or municipal clerks with itchy fingers. Because you were so wise, the acquittal of at least some of the accused is now just a matter of time. We wouldn't be at all surprised if, eventually, all the accused are set free because Ninoy Aquino committed suicide or was killed by the Agrava Board.

And you certainly were extremely wise when, with astuteness that Machiavelli would envy, you surrounded yourself with henchmen so loyal and so unquestioningly servile and sycophantic that they cater to your slightest whim even if, in the process, they make a mockery of justice and bring pain and suffering to the people.

No, Mr President, we are not talking about that kind of wisdom. We are referring to that type which has been defined as knowledge energized by goodness.

There is no question, Mr President, that your fund of knowledge, particularly in the field of politics, is unsurpassed. The voters recognized this in 1969 when, in defiance of long standing tradition, they voted to have you for an unprecedented second term. They even were willing to go along when, in 1972, you proclaimed martial law because you wanted "to save the nation and build a New Society."

How could anyone disagree with your desire to break up the oligarchy? You did so, very efficiently, but in the process you established a new set of oligarchs -- but this time they bore the names of your relatives and in-laws, your classmates and a few of your generals. Everyone applauded you in your announced intention to save the country from the communists. But what do we see today? We see the communist insurgency getting stronger with each passing day. We see more and more of our idealistic youths leaving college campuses and going to the hills.

We perceive no goodness, Mr President, in the unrestrained use -- or misuse and abuse -- of PDAs [Presidential Detention Actions]. We see no goodness -- only ruthlessness and lust for power -- in the systematic exercise of the politics of power and greed in all levels of government.

On your sixty-eighth birthday, we ask you, please turn your eyes, not to those who fawn on you, who bow and scrape before you and whom you have rewarded so handsomely, but on the nation as a whole, on the men, women and children who need your help, who are agonizing in an economic crisis of alarming proportions, and whose cry for justice remains unheard.

Let this be these people's prayer for you: that you will have the serenity to accept the things that you cannot change, the courage to change the things that you can change -- and the wisdom to know the difference.

CSO: 4200/39

PHILIPPINES

COLUMNIST ON ASPECTS OF CURRENT POLITICAL SCENE

HKO40640 Quezon City VERITAS in English 8 Sep 85 pp 5-6

["Straight From the Shoulder" column by Luis D. Beltran: "Things are Rotten for Everyone"]

[Text] Obviously bothered by the results of the BBC [Bishops and Businessmen's Conference] survey showing approval of President Marcos by 44 percent of the public, MP Homobono Adaza and Luis Villafuerte were having lunch this week at an eatery along Tomas Morato in Q. C. [Quezon City]. Noticing a group of people at an adjoining table, Villafuerte asked one of them if he thought things had improved in the Marcos administration. The man nodded vigorously and said things had indeed, improved. When Villafuerte went to the comfort room, the man was right behind him.

"I'm in the government, don't believe anything I said out there. Things are rotten even for us," the man said and left quickly.

Leaving the eatery, the two went across the street to buy a newspaper and saw four men talking at the news stand. Adaza approached them and after saying he was doing a survey, asked if they thought things were better now under Marcos. The men looked at Adaza's military-style crew-cut and said, yes, things were definitely better. Villafuerte then introduced Adaza and himself.

"We thought you were in the military," one of them said. "If you really want to know things have never been worse in this country!"

Public information Minister Gregorio Cendana, who should have been in the forefront of the fight to arrest the murderers of 22 newsmen, issued a statement proclaiming the existence of press freedom in the country on the occasion of the Press Week festivities. What made the statement memorable was that Cendana had just been scolded by the First Lady Eva Macapagal to be printed in the newspaper. At the same time the press release was being delivered to newspapers, some 400 newsmen were in the process of burning Cendana's effigy for making the Office of Media Affairs (OMA) look like the office of Manacled Media Affairs (OMMA).

The KBL Motion Pictures team which went to the U.S. to take the pictures of houses owned by Opposition figures will come home with pictures of the Ninoy

Aquino house in Boston, the McLean Virginia house of former Senator Raul Manglapus, the New York apartment of businessman-millionaire J. Anado Araneta, (which they will say is owned by Judy Araneta Viuda [widow of] Roxas, who could run against Ma'am for the vice-presidency), a hotel owned by businessman-millionaire Enrique Zobel, a Bangkok food processing factory "owned" by Nanfrel chairman Jose Concepcion (and a host of Thai businessmen), the Los Angeles house of the daughter of former Senator Jovito Salonga. All these houses and apartments are undoubtedly small than the caretaker's house in the Ladenmere mansion because the owners have not been in power for the last 20 years. As for the businessmen, didn't the Central Bank allow purchase of dollars for investment abroad as late as 1974?

In the Battle of the Films, we suggest the Opposition call their film "Gone With the Wind," to commemorate where all the foreign loans went., The KBL documentary which they will undoubtedly show on government TV should be called "Little Houses on the Prairie."

At the "Kapinan" [coffee shop] forum at the Manila Hotel last Monday, MP Leonardo Perez said he would file a case of "disorderly behavior" against Opposition MPS who signed the impeachment resolution for certifying "personal knowledge" about the specifications in the compliant. MP Luis Villafuerte replied that Erez had amended the complaint from perjury because in perjury, the defense is the truth -- which the Opposition MPS might be able to present before the Batasan committee on privileges.

Giving the dirty finger to women rallyists probably constitutes orderly behavior as far as Perez is concerned.

Notice the sudden proliferation of large, shelled peanuts sold by sidewalk vendors? Those are IMPORTED peanuts, which were allowed to be imported to the detriment of Filipino peanut farmers because Bobby Ongpin's Trade Ministry and Monching Parolan's Bureau of Customs classified them as "Finished Products." That incredible?! No, That's Government, Marcos style.

CSO: 4200/39

PHILIPPINES

COLUMNIST ON ACTING ARMED FORCES CHIEF RAMOS' CREDIBILITY

HK050720 Manila BUSINESS DAY in English 3 Oct 85 p 4

['Sensings' Column by Nick T. Jimenez: "Eleventh Hour"]

[Text] Acting Armed Forces Chief of Staff General Fidel Ramos in a recent speech declared that "it is the 11th hour, the now-or-never stage for the government to maintain the confidence of the people." He struck at the heart of the problem. And it is this, the confidence of the people, which government has lost.

General Ramos knows the problem and what must be done -- now. But he cannot act swiftly enough to solve his problems right in his own back yard. From all indications, it would seem that he does not have full powers to act as Chief of Staff and straighten out his men. With Gen Fabian Ver's imminent return to his post, Gen Ramos position itself is in a now-or-never stage. It is natural for the rank and file to feel uncertain and generally demoralized no matter if the reformists in the AFP (Armed Forces of the Philippines) say that they don't care who's Chief of Staff as long as he's a professional soldier.

There are, in fact, reports of military elements loyal "only to Ver" and of those loyal "only to Ramos." The Armed Forces as an institution does not only have to contend with these divisive loyalties but with the worst credibility crisis that ever hit it.

At this 11th hour, whatever the military says or does is automatically suspect. In people's perception, it can't do anything right. Whenever or whatever atrocities strike, people instantly associate the military.

Admirably, Gen Ramos has kept his credibility intact even while heading the least-believed institution in the country today. This is a tribute to the man himself. But recently the general slipped a notch on the credibility level when even before a thorough investigation was conducted on the massacre of 21 persons in Escalante, Negros Occidental he issued a statement that the CHDFS [Civilian home defense forces] fired on the demonstrators in self-defense.

The Regional Unified Command 6 chief in Negros Occidental maintained during an interview that there was no such thing as a massacre in Escalante. According

to him, if the soldiers had not exercised maximum tolerance, more people would have died and supposedly result in what can now rightly be called a massacre.

The chief of the Presidential Security Command has reportedly admitted to that doctor who is on a hunger strike over the Tatalon murders that he erred in judgment when he sent in the marines to demolish the squatter shanties. But the chief has refused to admit this fact in public which is why the doctor is now on the 25th day of his hunger strike.

Certainly the military's level of credibility has sunk even lower, if that is still possible, in the aftermath of the Tatalon and now Escalante tragedies. Candor and a little humility were demanded by the public but it only got denials and more investigations that have generally not solved anything. The entire tenor of that speech of Gen Ramos would seem to show that he's sending distress signals. He knows the problem only too well and what he as a professional soldier with a deep sense of duty must do. Until he can act with full powers, he's asking the public for patience, forbearance and understanding. It might be too late to ask even for that.

CSO: 4200/39

PHILIPPINES

TATAD ANALYZES GOVERNMENT RESPONSE IN TAWITAWI INCIDENT

HK060400 Manila BUSINESS DAY in English 4 Oct 85 p 5

["Here and Now" column by Francisco S. Tata: "Impotence?"]

[Text] The reported attack by Malaysian forces on one of our southern islands -- if true -- constitutes an act of war. Malaysia not only denies responsibility but says the incident never took place. "We believe certain people with vested interests have made it up," goes the official Malaysian quoted. The regime has promised to investigate. For Mr Marcos, this is the first, but only the first, prudent step. The regime must behave as a responsible government behaves. It must look before it leaps. And look even if it does not leap. In these days of so much half-baked journalism, it is possible, as the Malaysian spokesman has said, that the reported incident never took place. Somebody could have fabricated it. History is full of demagogues who did not hesitate to manufacture incidents to justify a foreign adventure that distracted the nation from its internal woes.

But while Malaysia can say, as its defense spokesman has in fact said, that its forces were not involved in any hostile operation against Filipinos inside Philippine territory, it seems far beyond its competence to say what incident has occurred, or not occurred, on Philippine soil. As the reported incident is said to have taken place inside Philippine, rather than Malaysian, territory, how could Malaysia say it never took place, even before Manila could investigate? The statement says much more than it ought, and is, for that reason, suspect.

But now that an investigation has been ordered, one question deserves to be asked. Is the regime prepared to get the truth out and deal squarely with it, regardless of its real shape and the logical course of action it may demand from the state? Or will the state find it easier to simply confirm the statement that the reported incident never took place? Mr Marcos's predicament here is real, rather than imagined.

Published reports, quoting official eyewitnesses, have said that Malaysian gunboats and helicopters had taken part in the strike in which 53 civilians were supposed to have been killed or taken hostage. Were the investigation to confirm now that there had indeed been an armed attack, and that so many lives had been lost, would a simple diplomatic protest cure or bury the incident? Would not national honor demand a stronger response?

A positive finding that goes against the Malaysian denial could lead to a new crisis beyond the mere souring of Philippine-Malaysian relations. These relations have long been sour, caused principally by the Philippine claim to Sabah. Malaysia expects, and has been waiting for Mr Marcos to formally drop the claim, following his unilateral announcement at the 1977 ASEAN summit in Kuala Lumpur that he would take steps to drop it. It is principally because of these unimproved relations between Manila and Kuala Lumpur that the agreed timetable for the ASEAN summit has until now remained stalled. Manila is supposed to host the next meeting after Bali and Kuala Lumpur, but Mahathir, the Malaysian prime minister, has indicated he would not attend a summit hosted by the Marcos regime.

A new incident such as the one reported in the South could have, under the best possible conditions, more unpleasant repercussions to these already troubled relations. Under less than helpful conditions, it could give rise to real tension between the two neighbors. Neither one stands to profit from it; nor can either one afford such a situation.

Saddled with a bankrupt economy, Mr Marcos cannot afford to wage any political or armed hostility with Malaysia while fighting an insurgency whose military strength is on the rise while it continues to score so many political points all over. He cannot confront Malaysia, in the same manner that Sukarno confronted Malaysia in the '60s, without falling back on the country's defense treaty with the United States for assistance. But will the U.S. back him in such a confrontation?

Here, we enter into a real complication.

Under the terms of the 1951 mutual defense treaty between the Philippines and the U.S., "each party recognizes that an armed attack in the Pacific area on either of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

Even if it were established that the Philippines had been attacked, and Mr Marcos now invokes the provisions of the treaty to ask that the U.S. join the Philippine Government in repelling the aggressor, he would have to submit to the decision of the U.S. Congress in keeping with American "constitutional processes." There, the decision to intervene or not to intervene could depend not so much on the fact that an attack had taken place as on the credibility of the regime asking the U.S. to intervene. The result cannot be guaranteed.

Given such dim prospects of defending the national honor, the regime cannot now proclaim in indignant tone that the national territory has been violated by the armed forces of another power, only to confess that it is powerless to discipline the aggressor. It becomes the easier course to say that no foreign force was involved, or that the incident never took place at all.

PHILIPPINES

NUCLEAR PLANT OPERATION DELAY CAUSES LIQUIDITY PROBLEMS

HK060534 Manila BULLETIN TODAY in English 4 Oct 85 p 21

[By Ray S. Enano]

[Text]--The protracted delay in the operation of the \$1.95-billion Bataan nuclear power plant has now become the most serious impairment to the liquidity position of the state-owned National Power Corp (NPC).

Gabriel Y. Itchon NPC president, said yesterday that the delay in the operation of the plant has started to cause strain in the liquidity position of the power firm "since amortization and interest payments have to be met without the corresponding increase in revenue or savings in cost from the output of the nuclear power plant. Itchon said that NPC next year faces mainly a shortfall in foreign loan financing for the foreign exchange costs of its investment expenditures, similar to what had happened in 1984 and this year.

"The protracted delay in the operation of the nuclear power plant increases the foreign exchange cost of investment expenditures and thereby exacerbates the problem," he said. At the same time, Itchon confirmed that NPC is pursuing its request to exempt the debt service payments for the nuclear loans from the Central Bank's blocked deposit accounts as a financial measure to relieve the liquidity problem.

"To the extent this shall be successful, it shall not be necessary to raise power rates to generate additional revenue for this purpose," he said.

Itchon earlier said that NPC may have to raise power rates by 30 centavos per kilowatt-hour starting next year should the nuclear power plant fail to obtain an operating license. NPC faces a total of \$200 million in debt service payments next year.

NPC's financial bind has been greatly caused by the shortfall in foreign loan financing. Moreover, the power firm will have to start financing itself by 1986.

The approved power expansion of NPC stipulated that NPC operations shall yield internal cash generation to finance the peso cost of its capital expenditures as the national government halts its equity contribution to the firm. Itchon said this target is still attainable and the government budget for 1986 did not include an equity contribution to NPC.

PHILIPPINES

EDITORIAL ON MINISTER'S PROBE OF OVERSEAS PROPERTY

HK040625 Quezon Ciy VERITAS in English 8 Sep 85 p 4

[Editorial: "Please Prove Us Wrong"]

[Text] The results of the hidden wealth investigation -- or so the estimable Mr Estelito Mendoza has led us to understand -- will be released within the next two weeks. We wish we could say that the people are waiting for them with bated breath. Unfortunately, the Mendoza announcement left them cold excitement [as published].

The people expect a whitewash that is all.

This reaction is premised on something more solid than pure cynicism. The people simply perceive that Mr Mendoza has not done anything to show that he has taken more than a perfunctory interest in pursuing the investigation.

Just, exactly, how much has he done? If the reports on our "Mendoza Watch" are any indication, very little, indeed. He has written to those whose names were mentioned in the MERCURY NEWS expose -- with the conspicuous omission of President and Mrs Marcos, of course -- and not much else. He was ordered to "spare no one," but, from the lackadaisical way he has been conducting the investigation, he seems bent on sparing everyone.

Did Mr Mendoza send anyone to the United States to dig into the ownership of the properties in question? He hasn't said so. What he has said is that ownership of real estate abroad is no crime. He also warned the public not to expect too much because, as he told the "Kapihan" [coffee shop] last Monday, the Supreme Court decision on self-incrimination will have repercussions on the hidden wealth probe. Presumably, we suppose, because those named in the expose will invoke their right not to incriminate themselves.

Some weeks ago, when we editorialized on the Mendoza investigation, we expressed the considered view that Mr Mendoza was hardly the person to conduct a really thorough probe. We said he was too busy, and we added that there was reason to believe that he, too, owned real estate in Philadelphia.

Well, we will know in two weeks how right we were in our assessment. Please prove us wrong, Mr Mendoza.

CS0: 4200/39

PHILIPPINES

BANK HEAD URGES IMF TO LET NATIONS CHOOSE POLICIES

HK050728 Manila BULLETIN TODAY in English 3 Oct 85 p 13

[Text] Central Bank owner Jose B. Fernandez Jr urged the International Monetary Fund [IMF] and the World Bank [WB] yesterday to let individual countries make the choice of designing and appropriate policy mix to deal with their particular economic problems.

Addressing the meeting here of finance ministers and central bank governors of Spain and the Latin American countries, Fernandez declared that the choice of policy "must remain a national prerogative" as the country should have the most reliable information on the economy's basic capacity to endure the economic and social strains that always accompany such adjustment programs.

He said that there were policy instruments at hand which developing countries may use of have urged to use to influence domestic production and balance of payments.

These policies, he said, might be divided into demand-management, supply-side, and exchange rate policies.

More often than not, the IMF and the WB strictly follow these set of policies in recommending adjustment programs for a country faced with external imbalance and debt problems.

Demand policies pertain to those which address fiscal balance, the rate of domestic credit or monetary expansion interest rates and wages.

On the other hand, supply-side policies concern taxation, subsidies and pricing. Fernandez pointed out that while this type of policy instruments is important to macro-economic performance over the medium and long-term, they should be resorted to with discretion and only in coordination with the exchange rate and fiscal policy.

On the exchange rate policy, Fernandez said countries undergoing tight balance-of-payments difficulties and serious financing problems may either choose to implement policies designed to change the real effective exchange rate of their currencies to raise the international competitiveness of their exports and thereby improve their current account balance.

PHILIPPINES

CENTRAL BANK MONEY RELEASES CALLED FUTILE

HK041427 Manila BUSINESS DAY in English 3 Oct 85 p 2

[By Conrado Banal]

[Text] Central Bank [CB] releases of money to prop up the economy are futile efforts at the moment because the money has no way of getting to the hands of consumers.

This is the banking sector's reaction to a CB decision to reduce the amount of funds it requires banks to keep as reserves. The CB has allowed commercial banks to keep in reserve only 23 percent of their total time and savings deposits, a one percentage point drop from the previous reserve requirement.

This move can set loose more than P1 billion in bank funds currently deposited with the CB. It is one of several recent CB actions designed to expand money supply and bankers expect more similar measures.

Availability of more funding theoretically should stimulate business. But the banking system is still passive at the moment as a mover of funds since "legitimate" loan proposals are hard to come by. With lendings virtually at a standstill, banks already are wallowing in liquidity, bankers said. The only likely channel of the funds which the CB will set free by lowering bank reserves are government IOUS, they said.

The main problem is the high level of unemployment, the obvious result of the economy's downturn which began in 1983. "The jobless does not have the income to spend to make business profitable and thus create more jobs," a banker noted. On the other hand, the high inflation rate during the past several months has considerably weakened the purchasing power of those with a little money to spend.

In their corporate plans, banks foresee that business in general still has a long way to go before resuming "normal" operations. The international price of copra is down, for instance, and since a large portion of the population depends on coconut for their livelihood, business has fewer customers to sell to.

Moreover, government attempts to pump prime the economy through infrastructure spending have come too late in the year. A source in the government disclosed

that the public works and highways ministry no longer expects to start any project for the rest of the year. Bids for such projects alone take months to complete.

The National Economic and Development Authority (NEDA) nevertheless believes that the recent lifting of the ceiling on rice prices will lead to more spending in the rural areas. But even if this government measure does bring up the incomes of farmers, bankers think it would take time before this development is felt by the other sectors of the economy.

The drop in the required reserves of banks will result in a similar drop in bank lending rates, bankers said. The Bankers Association of the Philippines (BAP) has been waiting for CB measures that would cut the so-called intermediation costs of banks. Banks incur costs in their reserves. The CB pays only 4 percent a year for bank reserves, while banks pay depositors more than that. What banks will take out from their reserves, with the new CB ruling, can therefore earn more if invested in government IOUs. "It will mean better profitability for banks," a banker said.

But others said the effect on lending rates will be minimal. Most bankers are more interested in the CB plan to raise its interest payment on bank reserve and to eliminate the legal requirement that banks should lend out a certain percentage of their loan portfolios to agriculture. These can reduce the banks' costs of intermediation and their lending charges by as much as five percentage points, bankers said.

A BAP official said CB governor Jose B. Fernandez Jr has indicated a "willingness" to increase the interest payment on the funds banks deposit with the CB as reserves. But the CB governor also informed bankers that the CB cannot act on the requirement for bank lendings to agriculture because its elimination needs the approval of the Batasang Pambansa. Bankers believe that a bill seeking such a removal will not pass the Batasan because it is politically risky.

CSO: 4200/39

PHILIPPINES

NO FUNDING PLAN SET FOR 1986-1987 SUGAR CROP

HK060256 Manila BUSINESS DAY in English 4 Oct 85 p 2

[By Rigoberto D. Tiglao]

[Text] There is still no definite plan for funding the 1986-1987 sugar crop.

Recently, Central Bank [CB] Governor Jose B. Fernandez Jr. presented to the Philippine Sugar Commission (Philsucom) a financial scheme involving only the use by the sugar industry of part of the World Bank's \$100-million agricultural loan fund (ALF). However, Fernandez could not assure the Philsucom that the terms of the \$100-million loan can be changed to ensure that sugar planters can immediately utilize the agricultural fund. Armando Gustilo, chairman of the executive committee of the Philsucom, told BUSINESS DAY that according to the CB governor, sugar planters can avail of the World Bank Fund by applying through private banks.

President Marcos the other day was reported to have directed the "deposit of P[peso] 2 billion with the Central Bank" to fund the 1986-1987 crop. BUSINESS DAY sources disclosed however that the P2 billion mentioned by the President referred merely to the rough peso equivalent of the World Bank's \$100-million agricultural loan fund.

Ranking CB officials said they do not know where the P2-billion deposit will come from and that the Monetary Board -- the CB's policy-making body -- has not authorized the reopening of the CB's rediscounting windows for the sugar industry. The CB officials also claimed that the Monetary Board's agenda for its meeting last Wednesday did not include a proposal for the reopening of rediscounting for the sugar industry.

Bankers close to the sugar industry however emphasized that under the terms of the ALF, there is no way for the sugar industry to avail of the fund on a scale sufficient to finance the 1987-1987 crop. This is largely due to the fact that the ALF would be coursed through accredited private banks -- which exclude the two sugar-financing banks, the Philippine National Bank (PNB) and the Republic Planters Bank (RPB) -- which will assume almost entirely the risk of extending the loans to planters. However, most banks consider the sugar industry not only one of the riskiest sectors but also the most expensive to finance since field personnel are required to monitor the operations of the planters.

What may also discourage the banks from financing the sugar planters is the fact that their lendings to the planters -- because of these planters' outstanding loans to RPB and PNB -- will be covered only by a second mortgage, which means that the two banks will have the first right to the planters' collaterals.

It was also pointed out that what are at risk now is not only the 1986-1987 crop -- the planting season for which has already started -- but part of the 1985-1986 production as well. RPB and PNB have extended financing for production -- mainly for such expenses as hauling the cane to the mills -- equivalent to only 25 percent-50 percent of the requirements, as a result of their own funding problems.

Executives of the two banks emphasized the urgency of the financing needed for the sugar industry at this time. "If the planters fail to get the funds within the month, we might as well forget the 1986-87 crop," a ranking official of one of the sugar-financing banks said.

Gustilo also pointed to the current problem of meeting production targets for the 1985-1986 season. "It is impossible to meet the 1.6-million metric ton target for this crop year," he said. The Philsucom's estimate shows that crop production for this year will only be about 1.3-1.4 million metric tons, he pointed out.

Industry sources said this level of production may lead to supply shortages that would require importations. Already, they noted that the country's reserve stocks of sugar amount to only 100,000 metric tons, way below the 200,000-300,000-metric ton level necessary to prevent shortages.

CSO: 4200/39

PHILIPPINES

PHILIPPINE AIRLINES SEEKS TO RESCHEDULE DEBTS

HK041409 Manila BUSINESS DAY in English 3 Oct 85 p 12

[Text] Philippine Airlines [PAL] is still eyeing part of this year's commodity loan from Japan to finance its purchase of necessary ground equipment, Roman A. Cruz Jr., PAL president and chief operating officer, said yesterday.

"I am not aware that our request (to use the loan facility) has been rejected by the Central Bank," Cruz said.

PAL was one of the companies given official access to the quick-disbursing commodity loan in the 13th yen package from Japan's Overseas Economic Cooperation Fund (OECF).

Government cannot use up all its official credits in this facility because of inability to put up local counterpart funding. Some of the credits have been passed on to the PAL as a "vital industry."

Sources in the Central Bank [CB] maintain that PAL was scratched off the list of companies allowed to avail themselves in the OECF funding.

They said PAL cannot put up the local counterpart funding required of the borrowers from the facility.

Since CB governor Jose B. Fernandez's policy is to treat all companies equally, PAL cannot be made an exception to the general rule, sources said.

Meanwhile, Cruz explained that the PAL stockholders' meeting, traditionally held April-May and rescheduled for Aug 29, was postponed pending the outcome of negotiations to reschedule its \$158-million short-term loans from 15 foreign banks.

PAL is asking for a major restructuring of its \$773-million total foreign debt and wants government to infuse new equity by assuming half of PAL's foreign debt or about \$350 million.

CS0: 4200/39

PHILIPPINES

NEW ACTING CHAIRMAN OF SUGAR CORPORATION NAMED

HK060453 Manila BUSINESS DAY in English 4 Oct 85 p 10

[By Julie Del Castillo]

[Text] Sugar miller and industrialist Fred J. Elizalde will replace Trade and Industry Minister Roberto V. Ongpin as acting chairman of Philippine Sugar Marketing Corp. (Philsuma)

The appointment of Elizalde, who is also currently a member of the Philippine Sugar Commission, follows the abolition the other day of the interim committee that was formed to set up the new sugar trading company, and President Marcos's announcement last Tuesday of several measures to save the sugar industry.

Sugar planters and millers yesterday said with Elizalde at the helm of Philsuma, which should be established this month, sugar producers can at least be "optimistic" that they will be assured of a composite liquidation price of P [peso]300 per picul for domestic and export sugar.

However, producers criticized the President's "new measures" as "confusing and contradicting" earlier government pronouncements on the sugar industry.

The Sugar Producers Coordinating Council (SPCC) said the new measures will have to be "corrected" to prevent further damage to the industry, although it hailed the government decision to restore free trading of domestic sugar.

The SPCC is composed of the confederation of Sugar Producers Associations; Sugar Producers, Inc., New Alliance of Sugar Producers, and the Araneta-owned sugar mills. It said the restoration of free trade in the domestic market is an "intermediate but positive step" towards total free trading, including exportation.

However, the SPCC and 12 members of parliament said the announced closure of sugar mills runs counter to the President's earlier instruction to establish production quotas and limit the national output to 1.6 million metric tons annually for the next five years.

"The President's new order would precipitate overproduction and costly competition that can only further prejudice the already dying sugar industry," it stressed.

Instead, they said, to correct "defective" policies the government should immediately implement recommendations made last February by the National Economic and Development Authority (NEDA), following the completion of studies on the industry by all government economic and financial agencies.

The NEDA recommended, among others, the immediate replacement of Philsucom with a Philippine Sugar Development Authority, organization of a truly private national sugar trading agency in place of National Sugar Trading Corp and abolition of 15 sugar mills funded by the government because these have been the "primary cause of overproduction and undue competition."

The SPCC also expressed concern over the president's and Nasutra's foreign debts be paid out of export sugar/sales proceeds, considering that most of those debts "emanated from the establishment" of the 15 government mills at a total cost of over \$500 million in 1966 and 1967.

Ongpin's exit from Philsuma and the abolition of his interim committee came a month ahead of schedule, apparently because of strong opposition from sugar millers and planters to his recent pronouncements.

Ongpin recently proposed to include nonproducers of sugar, including himself, among Philsuma's incorporators.

Most millers and planters also resented Ongpin's holding the top position in the interim committee, which many believed properly belonged to a planter or a miller, which Ongpin is neither.

The interim committee was scheduled to be abolished at the end of this month, after election of members of the Philsuma board.

The board is expected to be composed of sugar planters and millers.

Aside from being Philsucom commissioner, Elizalde is president of the Philippine Sugar Association and of La Carlota Sugar Central.

CSO: 4200/39

PHILIPPINES

BRIEFS

U.S. RICE ASSISTANCE ARRIVES--Eight hundred thousand cavans of rice assistance from the United States have been [word indistinct] to various parts of the country. The U.S. pledged a total of 2.8 million cavans of rice under a [word indistinct]. The remaining 2 million cavans will be shipped next month and in December. National Food Authority [NFA] administrator Jesus Tanchanco said the U.S. rice will form part of NFA's buffer stocks. He said the U.S. rice will boost NFA's reserves to 3.6 million cavans. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 4 Oct 85 HK]

MINDANAO NOT ON ALERT--Military forces in Mindanao have not been placed on alert, according to acting Chief of Staff Lieutenant General Fidel Ramos. Gen Ramos made this clarification following published reports that the military in Mindanao has been ordered on alert after an alleged attack by Malaysian forces on Maddanass Island last September 23. He also said there were no additional forces sent to Mindanao, contrary to previous reports that jetfighters were dispatched to the southern Philippines. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 3 Oct 85 HK]

SUGAR QUOTA SYSTEM--President Marcos yesterday announced [4 October] the deferment of plans to mothball some sugar mills and to set up the quota system, as the expected surplus in sugar production is unlikely to materialize this year. Government leaders approved this step during a KBL [Kilusang Bagong Lipunan] caucus following recommendations from Trade and Industry Minister Roberto Ongpin. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 4 Oct 85 HK]

THREE BATTALIONS ACTIVATED--Three new maneuver battalions have joined the military offensive against armed subversives. Acting Armed Forces Chief of Staff Lieutenant General Fidel Ramos said the newly activated battalions were attached to the 1st, 3d and 4th Infantry Divisions. They are now part of the 11 combat battalions being built up by the armed forces this year to boost its combat efficiency against armed insurgents of the New People's Army. Gen Ramos said two more marine battalion landing teams are presently undergoing training and may be ready for deployment in the last quarter of this year. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 6 Oct 85 HK]

THAILAND

THIANCHAI RECOUNTS EVENTS AT START OF COUP

BK021522 Bangkok LAK THAI in Thai 3 Oct 85 pp 16-18

[Report on the exclusive account of the coup attempt given by Deputy Army Commander General Thianchai Sirisamphan]

[Excerpts] General Thianchai Sirisamphan told LAK THAI concerning the 9 September coup attempt: "we knew in advance that it would come. Such a matter cannot be kept secret. However, we did not know when and how the coup would be staged. As far as we knew, the coup would be different from the previous ones--only a few forces would be employed, and the masses would join in to make it a civil revolt. The military forces would give support behind the masses."

"When there were signs of the coup, we began to map out plans to cope with various scenarios, such as how to deal with the situation if the coup was led by military forces or what action to take if the masses were employed to lead them. We prepared two or three plans ranging from soft to tough."

General Thianchai disclosed that they kept their eyes on those involved in the coup attempt and gathered intelligence information about it. However, while the coup was still in the planning stage, there were no arrests because they lacked concrete evidence and did not want to fall into the coup plotters' trap. Therefore, they had to wait until it came out.

"The coup did not begin at dawn or when radio stations announced the seizure of administrative power by the coup party. It began at 1900 on 8 September when a group of union organization leaders held a meeting to plan what to do and how they could join the military forces if there were a coup. The participants, including railway and bus workers, were briefed about the plans. However, the plotters probably did not tell the meeting when the coup would be staged and probably only asked the participants to be prepared and to follow the plans when they saw signs of the coup."

The military forces on the coup side moved from the night of 8 September to the following day. "I was informed of the movements constantly after the meeting of the unionists. Still, there was no news clearly indicating when the coup would take place. There were no movements of the troops in regiments or divisions. So I went to bed at about 2300. After a while, there was a phone call to my house by a person asking me to come to his house to discuss something."

General Thianchai said that when he received the phone call and spoke to the person, he knew immediately that the coup was taking place because he already knew everything and had only been waiting for it to come out."

"The phone call was made by General Yot [General Yot Thephatsadin na Ayutthaya]. I told him that I would go, but I did not say where I would go and whether I would go to meet him. Then he said that he would send soldiers to take me if I wanted, but I said I would go by myself.... Then I put down the telephone. I changed into my army uniform in 5 minutes and then pulled my old sports car out of my Suan Phut Tan house by myself.

I had told my family what had happened before I left. I drove directly to the 11th Infantry Regiment at Bang Khen because we had planned in advance that we would use it as the suppression headquarters if the incident occurred. We had several reasons to use it as the headquarters, and all senior military officers related would have to go there to work together. They knew that when the incident took place, they were to go there and follow the plans without further arrangements or requests."

"That side [referring to General Yot Thephatsadin na Ayutthaya], still awaiting my arrival although a long time had passed, sent tanks to my house to get me-- I learned this later. However, they did not find me because I was already at the 11th Infantry Regiment at Bang Khen starting to counter the coup. The rebel troops met my wife [Khunying Praphansit Sirisamphan] and wanted to take her with them. However, my wife refused to go. She told the rebels that if something was to happen, let it happen at the house since the children were also there. The rebel troops probably wanted to take my wife hostage because by then they might have known that I would have to suppress them."

"If they had taken my wife and used her to bargain with me in order to have me give up the suppression, it would have been complicated."

LAK THAI asked whether the situation would have changed if Khunying Praphansit Sirisamphan had been taken from the Suan Phut Tan house. If the coup side had had such an important hostage, what way would he have chosen?

"The country is more important than my wife. Under such a situation, Pit [Khunying Praphansit] would understand that I had to choose that way. She would have to sacrifice herself for the country."

Remark: After the rebel tanks failed to find General Thianchai at his house, they wanted to take Khunying Praphansit as a bargaining chip. However, Khunying Praphansit refused to comply with the order, so that tanks moved back to the coup headquarters at Sanam Suapa. After that, Khunying Praphansit and the children left the house by a white van in order to hide in a safe place. A motorcycle rode suspiciously after the van. The van crossed the Krungthon bridge, and meandered to Talat Phlu. Then, it passed the Krungthep bridge, and headed by an expressway to a relative's house on Soi Klang off Sukhumvit Road. Late on the morning of 9 September, a group of rebel troops drove a jeep equipped with a machine gun to that house and tried to take Khunying Praphansit. At that time General Thianchai was appearing on television to announce the suppression of the coup. However, the rebel troops had

to leave when Khunying Praphansit refused to go with them. She told them that if they wanted to arrest her, shooting would have to break out. The soldiers then told her that they had come under the order of General Thianchai to transfer her to a safe place. Still Khunying Praphansit replied that unless she received a phone call or letter from General Thianchai, she would certainly not go. After the soldiers left, Khunying Praphansit and the children moved to another house while her husband was commanding the suppression of the coup.

General Thianchai Sirisamphan said that when he arrived at the 11th Infantry Regiment at Bang Khen, he started to carry out the plans prepared in advance. However, they did not know which plan to use to cope with the situation because they were the only ones who knew that the coup had started during the night, and if they carried out countermeasures at that time, it would have frightened the people and jeopardized the situation without necessity. So they had to wait until dawn broke.

"At Bang Khen, I received a phone call from General Soem Na Nakhon from Sanam Suapa. General Soem asked me to give up my determination to counter the coup because there would be no benefit for me. I replied that I could not draw back once I had reached this point, and asked the coup side at Sanam Suapa to stop because they were in the wrong. I told him that we had done nothing wrong and we had to carry out our duty for the peace of the country. Then General Soem was quiet and let me speak with General Yot who, like General Soem, also tried to persuade me to give up the countercoup efforts. He asked me not to fight them, saying that we were no match for them and that they had got everything ready and some soldiers from upcountry would come to join them later. He called on me to give up before fighting broke out, but I told Brother Yot to give up his attempt instead.

I said that I could not stop and had to carry out my duty no matter what happened. General Yot told me that I had made a wrong decision and was headed the wrong way and asked my why I did not come to help them. I replied that I had the duty of defending the peace of the country. Whenever I was in the government service, I had to carry out my duty and it did not matter that my government service would end a few days later. I would fight even if it was the last day of my government service. Then General Yot asked me to help them, saying that there was still time for me to change my mind and save myself from trouble when they succeeded. I responded that I was confident in our suppression and that we would succeed."

CSO: 4207/18

THAILAND

BRIEFS

PRACHUAP MEETS PRC AMBASSADOR--The new PRC ambassador to Thailand, Zhang Dewei, paid a courtesy call on Deputy Prime Minister General Prachuap Suntharangkun at Government House at 1100 today. The ambassador was accompanied by the director of the Protocol Division of the Foreign Ministry Protocol Department, Chamnong Sophon. The deputy prime minister noted that the smooth relations between the two countries, which go back a long way, are always growing. The PRC ambassador reported to the deputy prime minister that, from China's official record, the two countries last year exchanged over 700 groups of visitors from both government and private sectors. This, he said, demonstrates the close relations existing between the two countries which are more like brothers than just ordinary neighbors. The Chinese Government looks forward to more visits by Thai leaders. He said the Chinese people were delighted at the visit by Princess Sirinthon who later wrote a book about her visit to the land of dragons. This has greatly contributed to the strengthening of bilateral relations. The Chinese people hope that the princess will make another visit to China. In conclusion, Ambassador Zhang Dewei said he was entrusted by the Chinese leaders to assure to the Thai Government that China will adhere to its policy of friendship and will always stand side by side with Thailand. [Text] [Bangkok Domestic Service in Thai 1300 GMT 19 Sep 85 BK]

KING GREETES PRC PRESIDENT--On the occasion of the PRC national day, 1 October, his majesty the king has sent a message of congratulations to the PRC president. The message reads: On the occasion of the PRC national day, I and the Thai people would like to extend our greetings and best wishes for your health and happiness as well as for the Chinese people's prosperity. We are confident that the relations and cooperation between the peoples of the two countries will continue to progress forever for our common interest. [Text] [Bangkok Domestic Service in Thai 1300 GMT 1 Oct 85 BK]

REFUGEE MOVE COMPLETED--Thai authorities have completed the evacuation of some 120,000 Cambodian refugees along the Thai-Cambodian border. A UNHCR [UN High Commission for Refugees] official reported today that Thai authorities had completed the relocation of the Cambodian refugees to Evacuation Site 2 about 2 or 3 days ago. These Cambodian refugees fled into Thai soil to avoid crucial attacks by Vietnamese forces during the last dry season from November 1984 to April this year. Evacuation Site 2 is located north of Khao I Dang, about 3 to 4 km from the Thai-Cambodian border. The UN border relief operation is currently providing assistance for about 225,000 Cambodian refugees living at Site 2. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 27 Sep 85 BK]

ARMY BUILDUP IN WESTERN CAMBODIA--According to a report by the governor of Chanthaburi Province, Vietnam has moved its T-54 tanks, rockets, and about 2,000 soldiers from Sisophon District to an area close to the Dong Rak mountain range. Vietnam also sent 17 tanks to Pailin District, about 8 or 9 kilometers from the Thai border in Pong Nam Ron District, Chanthaburi Province. Vietnam has also stationed other troops close to the Thai border in Ban Chamrap, Muang District, Tra Province. It is believed the reinforcement is in preparation for the coming dry season offensives against the Khmer resistance forces. Chanthaburi Governor Bunnak Saisawang said the drive would certainly affect Thai people living close to the Thai-Cambodian border, and provincial authorities have made preparations for assistance to be given to the people. He said that a chief doctor of the International Red Cross Organization recently arrived to discuss plans for assistance to be given to the Thai people threatened by the coming dry season fighting in Cambodia. The International Red Cross planned to send immediately doctors, nurses, and ambulances to assist the people in the areas affected in case of an emergency. [Text] [Bangkok MATICHON in Thai 27 Sep 85 p 3 BK]

CSO: 4207/18

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK URGES UN TO PRESSURE VIETNAM

BK070621 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
6 Oct 85

[Station commentary: "It Is Necessary for the United Nations to Pressure Vietnam, Which Is Also a UN Member Country, To Respect the UN Charter and Resolutions"]

[Text] On the occasion of the 40th founding anniversary of the United Nations, 55 member countries in general have paid attention to the role and the charter of the United Nations, which is the top organization for defending peace, security, and order in the world. These countries have realized that if all UN member countries, whether small or big, respect the UN Charter and resolutions they can coexist peacefully and the whole world can enjoy peace and order.

However, there are now many conflicts, clashes and bloody wars almost everywhere throughout the world. A number of UN member countries do not respect the UN Charter and have used their forces to attack and occupy small and weak countries. Vietnam's aggression in Cambodia and that of the Soviet Union in Afghanistan are two concrete examples of the violation of the UN Charter.

Concerning the Cambodian problem, the world community has clearly realized that Vietnam's aggression and occupation of Cambodia is a gross and open violation of the UN Charter and the principles of international relations. Vietnam's aggression brought the flame of war to Cambodia, which is also a UN member country. Millions of innocent Cambodians were killed and hundreds of thousands and even millions of others were forced to flee their villages and houses and became refugees everywhere throughout the world. Furthermore, Vietnam's aggression and occupation of Cambodia has made the Cambodian-Thai border region permanently tense because Vietnamese troops have repeatedly violated Thai territory. Vietnamese troops have permanently threatened the peace and stability of Thailand. Because of this there is no peace and stability in all Southeast Asia.

Thus, the overwhelming majority of UN member countries have denounced and condemned Vietnam for its violation of the principles of international law and the UN Charter, its crimes in massacring the Cambodian people, its violation of Thailand's territorial integrity and sovereignty, and its destruction of

peace and stability in the region. The United Nations adopted six resolutions calling on Vietnam to withdraw all its troops from Cambodia and to respect the Cambodian people's right to self-determination in order to pave the way for the settlement of the Cambodian problem through political means.

However, the Hanoi Vietnamese enemy aggressors--with the backing, assistance, and support of the Soviet Union--are very arrogant. They have violated and trampled upon the principles of the UN Charter. Moreover, the Hanoi Vietnamese enemy aggressors have violated, trampled upon, and opposed the UN resolutions and the demands of the international community. Does Vietnam deserve to be a member of the United Nations?

If Vietnam considers itself to be a member of the United Nations, it must respect the UN Charter and resolutions, as do other UN member countries. But such cases have happened not only in Cambodia but at many places throughout the world. Therefore, the overwhelming majority of UN member countries have agreed that it is necessary to strengthen the role of the United Nations by firmly asking all UN member countries to categorically respect the UN Charter and the principles of international law. Concurrently, the United Nations must take strict disciplinary measures against a number of member countries violating the principles of international law and the UN Charter, attacking other countries, and destroying peace--countries like Vietnam--by strongly warning them or suspending their rights as UN members or expelling them from the United Nations. A number of bad UN member countries, such as Vietnam, would dare not attack and occupy other countries if these strict disciplinary measures are taken. If these disciplinary measures are not taken, the UN Charter is only paper and in reality the expansionists will use force to attack and occupy other countries as they wish.

On the occasion of the 40th founding anniversary of the United Nations, the Cambodian people would like to appeal to all peace- and justice-loving countries which are members of the United Nations to continue to unite to bring pressure in all fields on the Hanoi Vietnamese, whose country is also a UN member to respect the UN Charter and resolutions so that they will not trample upon the UN Charter and resolutions. The Cambodian people appeal to all these countries to pressure the Hanoi Vietnamese enemy aggressors until they withdraw all their troops immediately and unconditionally from Cambodia and respect the Cambodian people's right to determine their own destiny in conformity with the UN resolutions.

CSO: 4212/7

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK REPORTS WU'S RECEPTION FOR CGDK LEADERS

BK050316 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
4 Oct 85

[Text] On the afternoon of 28 September, His Excellency Wu Xueqian, member of the PRC Council of State, foreign minister, and head of the PRC delegation attending the 40th Session of the UN General Assembly, hosted a reception in honor of Samdech Norodom Sihanouk, president of Democratic Kampuchea, and his wife Monique; His Excellency Son Sann, prime minister of the CGDK; His Excellency Khieu Samphan, Democratic Kampuchea's vice president; and other members of the Democratic Kampuchean delegation.

On that occasion, His Excellency Wu Xueqian recalled that, under CGDK leadership, the just struggle of the Cambodian people for independence against Vietnam's colonialism has consistently scored great victories both inside Cambodia and in international forums. The Vietnamese aggressors are being isolated more and more, as shown by the result of the vote to support UN resolutions on the Cambodian issue. In 1979, 91 members of the United Nations voted to support the UN resolutions on the Cambodian issue; this number increased to 110 in 1984.

Currently, more and more countries have realized the true nature of the Vietnamese war of aggression in Cambodia. Victories scored by the Cambodian nationalities cannot be separated from the praiseworthy efforts of Samdech Norodom Sihanouk, president of the Democratic Kampuchea, and the other two leaders of Democratic Kampuchea, who have put the fatherland's independence above everything else. The head of the Chinese delegation wished to express admiration for the spirit of unity and unanimity that binds the CGDK and to express the conviction that, despite having to go through many difficulties, the Cambodian people's struggle will certainly win the final victory. Foreign Minister Wu Xueqian reaffirmed that the Cambodian people can count on the support and assistance of the Chinese people and government, guaranteed and sincere friends of the Cambodian people.

On this occasion, Samdech Norodom Sihanouk, president of Democratic Kampuchea, praised the friendship, brotherhood, and solidarity that bind the peoples and governments of the two countries, Democratic Kampuchea and the PRC. On behalf of the CGDK and the Cambodian people, [word indistinct] Samdech once again expressed to the glorious PRC, the great fraternal Chinese people, and the

Chinese Government deep gratitude for their vigorous assistance and support for the cause of the Cambodian people's just struggle to liberate the nation from Vietnamese colonialism. The Samdech said that, with great Chinese people on their side, the Cambodian people will certainly win the final victory. The Samdech took that opportunity to express, on behalf of the CGDK and in his own name, warmest congratulations to the noble Chinese leaders for the complete success of the recent congress of the Chinese Communist Party. The Samdech reaffirmed his determination to lead the CGDK in the united and patriotic struggle to liberate the nation completely. The Samdech stressed that the three parties of the CGDK are members of the same family, bound by the same patriotic spirit and the same goal. The CGDK is worthy of the confidence and support of the growing number of peace and justice-loving countries the world over that support our struggle against the Vietnamese aggressors.

This reception was hosted on the occasion of the Chinese full-moon celebration and held in an atmosphere of cordiality of a family.

CSO: 4212/7

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK CITES BATTLE REPORTS FOR 27 SEP-3 OCT

BK041108 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian broadcast the following battle reports during the reporting period 27 September-3 October:

VONADK at 2315 GMT on 27 September reports that 100 meters of railroad track were destroyed on 24 September in an area south of Ta Phde, South Battambang battlefield. A Vietnamese battalion was attacked by DK troops on the North Sisophon battlefield on 19 and 22 September. A captain was killed. A Vietnamese company was ambushed on the Pailin battlefield on 24 September. Between 12 and 23 September, DK forces on the Pailin, Samlot, West Battambang, North and South Sisophon, Kampot, Takeo, Kompong Cham, and Kompong Chhnang battlefields killed 73 and wounded 96 enemy soldiers. They destroyed 13 weapons, 100 meters of railroad track, and some materiel and seized 4 weapons, some materiel and ammunition.

According to VONADK at 2315 GMT on 29 September, a Vietnamese company position on the Samlot battlefield was attacked by DK troops on 25 September. DK combatants cut 120 meters of railroad track between Krang Skea and Bannak, Kompong Chhnang battlefield, on 18 September. A Vietnamese company was ambushed on the Battambang battlefield on 26 September. From 2 to 29 September, DK troops killed or wounded 229 Vietnamese enemy soldiers on the Pailin, Koh Kong Leu, Kompong Thom, Siem Reap, Kampot, South Sisophon, Kompong Chhnang, Chhep, and West Battambang battlefields. DK forces destroyed 25 assorted guns, 1 truck, 14 military barracks, and a quantity of military materiel and cut 6 sections of railroad track totaling 120 meters. They also seized 10 guns, some ammunition, and military materiel.

VONADK at 2315 GMT on 30 September states that from 19 to 28 September, DK troops killed 73 enemy soldiers and wounded 75 others on the South Battambang, Samlot, Pailin, Kompong Cham, Kampot, Siem Reap, and Route 4 battlefields. DK combatants destroyed 17 guns, 1 truck, and some war materiel. They also seized a quantity of weapons, ammunition, and war materiel.

VONADK at 2315 GMT on 1 October notes that between 19 and 28 September, KD soldiers killed 39 Vietnamese enemy soldiers and wounded 44 others on the Kompong Chhnang, West Battambang, Leach, Siem Ta, and Koh Kong Leu battlefields. They destroyed 3 guns, 1 locomotive, 4 cars, 200 meters of railroad track, 1 commune office, and some war materiel. They also seized a quantity of arms and war materiel and liberated three villages on the North Battambang battlefield.

According to VONADK at 2315 GMT on 2 October, DK forces attacked and liberated a commune office and three villages at Kompong Preah on the East Battambang battlefield on 28 September. They attacked (Tipo) commune office and liberated two villages on the Kompong Thom battlefield on 27 September. They ambushed and set ablaze two military trucks on the Kompong Som battlefield on 30 September. They ambushed two company units on the Pailin battlefield on 25 September and attacked a company position and a platoon unit on the Kompong Thom battlefield on 25 September. They also conducted various other activities against Vietnamese soldiers on the Pailin, Kompong Chhnang, Samlot, Koh Kong-Kompong Som, Siem Ta, South Sisophon, and Kampot battlefields, killing or wounding 181 Vietnamese soldiers; destroying 12 guns, 2 commune offices, 1 warehouse, 3 trucks, and some war materiel; seizing 3 guns, some war materiel, and ammunition; and liberating 2 villages on the East Battambang battlefield and 2 others on the Kompong Thom battlefield.

VONADK at 2315 GMT on 3 October discloses that DK forces cut a section of railroad track on the Kampot battlefield on 26 September. They attacked six vessels on the Pursat battlefield on 28 September and swept Vietnamese soldiers from areas along Sangke River Bank in Battambang Province on 18 September and liberated six villages. On 29 September they attacked a Vietnamese position in Chikreng District, Siem Reap Province. DK troops conducted various other activities against Vietnamese soldiers on the Pailin, Siem Reap, Kompong Chhnang, Kampot, West Battambang, South Sisophon, Koh Kong Leu, Leach, Kompong Speu battlefields, killing 64 Vietnamese soldiers including a battalion commander and wounding 41 others. DK combatants destroyed 3 guns, 200 meters of railroad track, 4 motorboats, and some war materiel. They also seized a quantity of war materiel and liberated six villages on the East Battambang battlefield.

CSO: 4212/7

24 October 1985

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK CITES CGDK LEADERS ON STAND AGAINST SRV

BK071121 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 0500 GMT 7 Oct 85

["Excerpt of statements by Samdech Norodom Sihanouk, president of Democratic Kampuchea; His Excellency Son Sann, prime minister of the CGDK; and His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, during interviews with Beijing radio correspondents on the political stand of the CGDK"]

[Text] On 5 October the samdech said the National Army of Democratic Kampuchea is expanding currently both in quantity and quality and is capable of striking incessantly at the Vietnamese aggressor forces in areas deep inside Cambodia. The National Army of Democratic Kampuchea has carried out activities on hot battlefields along the Cambodian-Thai border, particularly activities near or adjacent to Phnom Penh itself. The resistance forces of the CGDK have united in the struggle against the Vietnamese aggressors by setting up a committee which meets on a fixed schedule to determine and discuss strategy and tactics and to coordinate political and military activities. The samdech said the CGDK is a great patriotic family which unites in the struggle against the Vietnamese aggressors. As long as the Vietnamese aggressors commit aggression against our nation, our people will continue to fight them until they agree to implement the UN resolutions demanding that they withdraw all their aggressor forces from Cambodia.

His Excellency Son Sann told the Beijing radio correspondent on 2 October the Vietnamese aggressors are implementing more vigorously their policy of exterminating the Cambodian race. On various battlefields, the Vietnamese aggressor forces plunder Cambodian people's property, resources, and food supplies. Now the Vietnamese are sending an increasing number of Vietnamese nationals to settle in Cambodia. These Vietnamese have come to Cambodia to commit aggression against Cambodian territory and to be masters of Cambodia. The Vietnamese declare that in 3 or 4 years there will not be a Cambodian problem anymore, meaning that they will have annexed Cambodia's territory and transformed Cambodia's people into an ethnic minority. He said the CGDK will continue to implement a policy of great national unity in accordance with the joint declaration in Singapore to wage an effective struggle against the Vietnamese aggressors. He said we will continue to struggle until the Vietnamese aggressors agree to implement the UN resolutions, withdraw their aggressor forces from Cambodia and let the Cambodian people vote to choose their government and political regime themselves.

His Excellency Khieu Samphan, on 4 October, said the Vietnamese war of aggression in Cambodia has been condemned by the world which demands that the Vietnamese withdraw all these aggressor forces from Cambodia. This clearly testifies to the strength of the assistance and support for the struggle led by the CGDK. He said it was a complete deception when the Hanoi Vietnamese declared that they will withdraw all their aggressor forces from Cambodia in 1990. The Hanoi Vietnamese, whose ambition it is to annex Cambodian territory and exterminate the Cambodian race, will not easily abandon their ideas and strategy of setting up an Indochinese federation. Therefore, the CGDK, led by Samdech Norodom Sihanouk, will increase the great national patriotic unity to struggle more vigorously against the Vietnamese aggressors to make them pay dearly, both in terms of fighting forces and war materiel, for their war of aggression until they agree to abide by the UN resolutions, withdraw all their aggressor forces from Cambodia, and let Cambodia truly be independent, peaceful, neutral, and nonaligned. This is the world's will in resolutely supporting the struggle of Democratic Kampuchea against the Vietnamese aggressors.

CS0: 4212/7

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

STRAFING BY SRV AIRCRAFT WOUNDS 2 IN BATTAMBANG

BK070218 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
6 Oct 85

["News commentary": "The Vietnamese Enemy Aggressors Used an Aircraft to Fire at Our People Along the Sangke River in Battambang Province"]

[Text] On 26 September, the Vietnamese enemy aggressors used an aircraft to fire at our people who were fishing along the Sangke River in Battambang Province. Two of our people were wounded and two boats were damaged.

Our people in this area are very angry with the Vietnamese enemy aggressors and murderers. They have denounced and condemned the aggressors with fierce anger. They said that the Vietnamese enemy aggressors have systematically massacred our Cambodian people every day. The Vietnamese aggressors have killed our people--men and women, young and old--in an attempt to exterminate our Cambodian race so that they will be able to swallow our territory and make it a part of their country. Therefore, all of us who are Cambodians will neither allow the Vietnamese to exterminate our race nor swallow our Cambodian territory as they did Kampuchea Kraom in the past.

All of us are determined to unite and cooperate with our national army to struggle against the Vietnamese enemy aggressors until they are all driven out of Cambodia.

CSO: 4212/7

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

BATTAMBANG VILLAGES 'LIBERATED'--East Battambang battlefield: On 18 September, we launched sweeping operation against Vietnamese soldiers in areas along Stoeng Sangke River bank from Ek Reangsei to (Bak Anrek). We killed or wounded some Vietnamese soldiers and liberated six villages--namely, Ek Reangsei, Narin, Kdei, Damrei Slap, Rohal Suong, and (Don Mua). ["Battle report from various battlefields"] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 3 Oct 85 BK]

KIM IL-SONG'S REPLY TO SIHANOUK--To Samdech Norodom Sihanouk, president of Democratic Kampuchea: I would like to express heartfelt gratitude for your congratulations and wishes, for your high appreciation of the achievements our people have scored in building socialism, and also for your support for our people's cause of reunifying the fatherland, which you expressed to me on behalf of the people of Democratic Kampuchea, the CGDK, and in your own name on the 37th founding anniversary of the DPRK. I would like to take this opportunity to wish you more and greater successes in your noble, patriotic activities to fulfill the Cambodian people's just cause. [Signed] Kim Il-song, president of the DPRK. [29 September message of thanks from DPRK President Kim Il-song to DK President Samdech Norodom Sihanouk] [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 Oct 85 BK]

COSTA RICAN COUNTERPART MEETING--At the United Nations in New York on 24 September, His Excellency Khieu Samphan, Democratic Kampuchean vice president in charge of foreign affairs and deputy head of the Democratic Kampuchean delegation to the 40th UN General Assembly, met and held talks on matters of mutual interest, particularly the Cambodian problem with His Excellency Carlos Jose Gutierrez, Costa Rican minister of foreign relations. His Excellency Vice President Khieu Samphan informed His Excellency Carlos Jose Gutierrez about the development of our Cambodian people's struggle against the Vietnamese aggressors in the military, political, and diplomatic fields. He also exposed the Vietnamese aggressors' deceitful maneuvers and their attempt to avoid implementing the UN resolutions with the aim of occupying Cambodia forever. On that occasion, His Excellency Carlos Jose Gutierrez reassured Vice President Khieu Samphan that Costa Rica will continue to support the Cambodian people and the CGDK in their struggle for national independence and freedom against foreign aggression and occupation. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 5 Oct 85 BK]

24 October 1985

VIETNAMESE FACING GREAT DIFFICULTIES--Recently, QUAN DOI NHAN DAN described the Vietnamese aggressor army's activities in Cambodia saying Vietnamese forces are facing great difficulties on the battlefield, particularly in western Cambodia such as in Preah Vihear, Battambang, and Siem Reap Provinces. The Vietnamese admitted that Vietnamese aggressor forces in Cambodia have chronic diseases among their ranks with malaria being the most outstanding. Vietnam also moaned about the lack of food supplies and medicine on the battlefields because transport lines are being constantly cut by Cambodian resistance forces and because of attacks by Democratic Kampuchea resistance forces everywhere. [Text]
[(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Oct 85 BK]

CSO: 4212/7

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT DRAFT LAW, KPRAF ACTIVITIES IN PAST WEEK

BK041250 Phnom Penh Domestic Service in Cambodian 1200 GMT 3 Oct 85

[From the "Roundup of Salient Events" feature]

[Excerpt] An important event for our Cambodian people took place at a time when our entire army and people were emulating and creating feats to welcome the upcoming fifth party congress. In fact, the PRK Council of State promulgated a law-decree on the national defense duty. This law-decree included 5 chapters consisting of 23 articles. Article 1 of the law-decree stipulated that the national defense duty is an obligation of and a great honor for citizens. Every citizen has the duty to defend the fatherland by serving in the army or the self-defense militia. Male citizens aged from 18 to 30 must serve in the army. Citizens of both sexes, aged from 16 to 55 for women and 16 to 60 for men, must serve in the militia or self-defense forces.

Article 8 of the law-decree's Chapter II stressed that the army service for ordinary combatants up to squad leaders lasts for 5 years. In the case of general or partial mobilization for national defense, the length of the army service may be extended until further notice.

The law-decree also underlined the regulations set by the Council of Ministers regarding the duty-bound citizens and punishments meted out for any one who obstructs the implementation of this law-decree.

As for the military situation last September, it was learned that in a scheme to violate the territory, airspace, and territorial waters and to support the bandits, the Thai reactionary ruling circles continued relentlessly to step up provocative activities by sending L-19's, A-37's, C-190's, and F-105's to intrude for reconnaissance purposes 1 to 4 km deep into our airspace. Once, Thai aircraft strafed Hills 547 and 581 in direct support of Pol Pot remnants.

At sea, dozens of Thai fishing boats frequently intrude into our waters to carry out hundreds of fishing and reconnaissance sorties, 38 of them within 6 to 28 nautical miles of Poulo Wai Island.

Heightening the sense of combat readiness, increasing counterattacks in defense of positions along the Cambodian-Thai border, and accelerating sweeping operations against the enemy remnants hiding in remote areas in

order to create outstanding feats of arms in anticipation of the fifth party congress, our KPRAF in cooperation with the Vietnamese Army volunteers put out of combat 645 more enemy soldiers, including 203 who were killed on the spot and 116 who surrendered. We seized 209 assorted weapons, 84 mines, 240 kg of TNT, nearly 20,000 rounds of assorted ammunition, and 3 walkie-talkies.

CSO: 4212/8

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 30 SEP-6 OCT

BK070929 [Editorial Report] Cambodian media monitored by Bangkok bureau carried the following reports on agricultural developments during the reporting period 30 September-6 October:

Kampot Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 30 September reports that by the end of August peasants in Angkor Chey District had sold more than 1,320 metric tons of paddy to the state. In another report broadcast on 5 October at 1300 GMT the radio says that during the first half of 1985 fishermen in the province caught 1,600 metric tons of fish.

Takeo Province: The radio on 30 September at 1300 GMT reports that by early September, peasants in Kirivong District had transplanted more than 7,500 hectares of various types of rice, broadcast more than 2,000 hectares, and harvested more than 1,300 hectares of early rich with an average yield of 2 metric tons per hectare. In another report, broadcast at 1300 GMT on 1 October, the radio says that since the beginning of this rainy season peasants in Tram Kak District have transplanted 15,000 hectares of various types of rice, or 75.9 percent of the plan, including 2,767 hectares of early rice, 8,753 hectares of middle rice, and 4,008 hectares of late rice; 2,422 hectares of intensive rice have also been transplanted and 274 hectares of early rice harvested with an average yield of 1 metric ton per hectare. At 0430 GMT on 5 October the radio reports that between early August and mid-September, the agricultural service in Tram Kak District distributed many hundreds of metric tons of chemical fertilizers to peasants.

Kompong Speu Province: In a report broadcast at 0430 GMT on 1 October, the radio says that so far peasants in Thpong District have planted 958 hectares of subsidiary crops. In another report at 0430 GMT on 2 October the radio says that between the beginning of the rainy season and mid-September, peasants in the province had harvested 723 hectares of rice. Phnom Penh SPK in French at 0429 GMT on 5 October transmits a report alleging that by mid-September peasants in Kong Pisei District sowed almost 40 hectares of IR-36 rice and transplanted more than 1,070 hectares of rice, and the local agricultural service distributed more than 20 metric tons of IR-36 rice seeds and some insecticides to peasants during the same period. The report adds that so far, despite drought, peasants in the district have managed to plant 7,180 hectares of rice, or almost 50 percent of the plan.

Kompong Thom Province: SPK in English at 1121 GMT on 30 September reports that by mid-September, peasants in the province had grown rice on 87,000 hectares, or 68 percent of the 128,000 hectares planned for this season. During the week ending September 20, 3,000 hectares were planted with rice, including 22,280 hectares of floating rice, 24,100 hectares of long-term rice, 27,570 hectares of medium-term rice, and 9,800 hectares of short-term rice [figures as received]. The report adds that Baray District took the lead in planting rice with 27,237 hectares, or 87 percent of the plan. In another report transmitted at 0429 GMT on 5 October SPK in French says that during the last 10 days of last month peasants in Kompong Svay District had transplanted more than 2,300 hectares of rice. It adds that since the beginning of this season peasants have planted more than 26,750 hectares of rice, including 8,900 hectares of floating rice and 1,140 hectares of slash-and-burn rice or more than 80 percent of their plan, excluding more than 560 hectares of subsidiary crops. At 1114 GMT on 5 October SPK in English reports that by the end of September, peasants in Santuk District had put 14,850 hectares under rice, 80 percent of the plan.

Pursat Province: In an interview broadcast by Phnom Penh Domestic Service in Cambodian at 1100 GMT on 3 October, the acting chief of the provincial agricultural service says that during the past 9 months of this year rice production was increased by 54.8 percent compared with the same period last year; 8,826 hectares of intensive rice--5,393 hectares more than last year--have been planted representing 56 percent of the 15,650 hectares planned for this year. He also says that 1,682 hectares of subsidiary crops have been planted and 52,869 head of cattle raised during the last 9-month period.

Kompong Chhnang Province: At 1300 GMT on 3 October the radio reports that peasants in Toek Phos District have so far transplanted nearly 4,000 hectares of rice, including 1,000 hectares of early rice, 2,000 hectares of ordinary rice, and 1,000 hectares of late rice. In another report broadcast at 0430 GMT on 6 October the radio says that so far peasants in Kompong Leng District have planted more than 30 hectares of slash-and-burn rice, 70 hectares of subsidiary crops, and 20 hectares of industrial crops; they have also collected 2,300 metric tons of natural fertilizers.

Kandal Province: According to SPK in English at 1114 GMT on 5 October, solidarity production groups in Kien Svay District had, by the end of September, put 354 hectares under floating rice and 295 hectares under the high-yield IR-36 variety; 1,180 hectares of corn had also been planted. The report adds that peasants are now busy fulfilling their target of 2,450 hectares of rice for this monsoon cropping. At 0409 GMT on 6 October SPK in French reports that in September peasants in Kandal Stoeng District sold to the state more than 700 metric tons of paddy and more than 14 metric tons of palm sugar.

CSO: 4212/8

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

DELEGATION RETURNS FROM POLAND--The delegation representing the PRK party and state and the KUFNCD led by Comrade Chan Ven, general secretary of the Council of State and vice chairman of the front National Council, safely returned to the fatherland on the morning of 3 October after attending the 90th founding anniversary of the Polish United Workers' Party. Present at Pochentong airport to receive the delegation were many cadres of the Foreign Relations Commission of the party Central Committee, the cabinet of the Council of State, and the front National Council. Comrade Ludwik Klockowski, extraordinary and plenipotentiary ambassador of the Polish People's Republic to the PRK, was also present on that occasion. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Oct 85]

STUDENTS VOLUNTEER--A ceremony was held at Svay Angkrang Junior and Senior High School [not further specified] on the morning of 25 September to hand over 48 students who have volunteered to serve in the army. Comrade (Mam Chan), chief of the education service in the province [name of province not specified], said that 140 students from all high schools had volunteered to serve in the army, militia units, and police force from July to the present. After hailing the students for their heroic spirit in volunteering to serve in the army, Comrade (Mok Sim), deputy secretary of the provincial party committee and chairman of the provincial people's revolutionary committee, announced the handing over of the 48 volunteer students to the provincial military command. The ceremony proceeded in a joyful atmosphere. [Text] [Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Oct 85]

GREETINGS TO GUINEA--On the 27th anniversary of the national day of the Republic of Guinea, Comrade Heng Samrin, chairman of the PRK Council of State, sent a congratulatory message to His Excellency Lansana Conte, president and head of state of the Republic of Guinea. The message says in part: On behalf of the PRK Government and people and in my own name, I would like to send the Military Council for safeguarding the nation, government and people of Guinea cordial congratulations. I wish you and the Guinean people new successes in building and defending the country for happiness, prosperity, peace, national independence, democracy, and social progress. May the relations of friendship between our two peoples further develop. On the same occasion, Comrade Hun Sen, foreign minister of the PRK, sent a message to His Excellency Facine Toure, foreign minister of the Republic of Guinea. The message stresses that: On the occasion of the 27th anniversary of the Guinean national day I am most happy to send you warm congratulations. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Oct 85]

MILITARY AFFAIRS AND PUBLIC SECURITY

HOANG VAN THAI ARTICLE ON MILITARY COMMAND

BKO41030 Hanoi NHAN DAN in Vietnamese 7 Sep 85, pp 3, 4

[Senior General Hoang Van Thai article: "President Ho Chi Minh and the Issue of Organizing Military Command"]

[Text] Military command organization is a very great strategic military issue for a country. Only with an appropriate military command organization can we ensure centralized, unified, thorough, continuous, timely, and comprehensive command and develop the greatest strength to fulfill the country's political and military duties.

According to its national character and political system, each country has its own different military command organization. Nevertheless, no matter what political system is adopted in organizing military command, the ruling class must always firmly control the armed forces. Since the armed forces are the main tool of force to achieve dictatorship of the class, if the armed force cannot be controlled, power will not be seized. The same experience can be seen in the history of our country and that of many other countries in the world.

When it stepped onto the stage of history, the proletariat promptly saw the need for a revolutionary army in order to seize the revolutionary power and realized that the Communist Party must assume leadership over the army. Lenin said: "If we want to protect the worker-peasant administration against bandits -- the landlords and capitalists -- we must have powerful red troops." (Footnote 1) (Lenin: "Complete Book," Volume 41, Moscow, Progress Publishing House, 1976, page 437) "We have to oppose not only the white guards but also world imperialism. We must and will defeat the enemy. So, the essential for us are the red troops. In each organization of Soviet Russia, the question of the army must always be raised primarily. Now, as everything is already clear, the war issue is mainly the issue of strengthening the army." (Footnote 2) (Lenin: "Complete Book," Su That Publishing House, Hanoi, 1971, page 156)

To firmly control the red troops, Lenin placed the army under the Bolshevik Communist Party leadership, considering it the highest principle, and organized the general staff to command the army. This reflects the fact that the army alone can not deal with everything. Lenin always considered the people

-- especially the workers and peasants including the red troops as the key force -- to be the decisive and primary force in defending the revolutionary administration.

President Ho Chi Minh firmly grasped these viewpoints of Lenin. He always sees the need to rely on the invincible strength of the entire people while simultaneously striving to build strong and heroic armed forces that will have as a core for the entire people to fight the enemy and firmly defend the revolutionary administration. These armed forces must be absolutely, directly and comprehensively led by the Vietnamese Communist Party.

No sooner had our people won over the administration country-wide than President Ho Chi Minh raised the question of immediately organizing agencies to command and lead the armed forces and to ensure party control over the armed forces throughout the country. On 7 September 1945, only five days after the proclamation of independence, President Ho Chi Minh decided to establish the general staff headquarters.

Personally assigning the mission to the headquarters, he said in general: "We have just regained independence and freedom, and the entire country is actively building the liberation army and self-defense forces to join the entire people in safeguarding this independence and freedom. The provisional government has decided to organize a Ministry of Defense. Now our mass organization must set up a general staff to command and direct the armed forces nationwide. The general staff is a secret military organ of the mass organization and the nerve center of the army, entrusted with the tasks of efficiently organizing and training the army, organizing a meticulous study of the enemy's situation and ours, and devising clever and accurate organizational and command actions to vanquish all enemies and safeguard the revolutionary gains."

"At present, we face difficulties because of our lack of experience in and knowledge of staff work, but we must strive to learn while carrying out this task. With resolve, we will succeed, no matter how difficult this task may be. We will certainly be able to build strong and competent staff service worthy of the resourceful, creative, heroic, and undaunted Vietnamese people to defend the fatherland's independence and the national freedom."

Also during the first days of the democratic republic regime, President Ho Chi Minh issued a directive on the establishment of a political department -- which later developed into the General Political Department -- to provide guidance for the party and political tasks in the army, and the establishment of a quartermaster office -- which later developed into the General Department of Rear Services -- to organize and fulfill the army's demands for materials.

In October 1945, the Standing Committee of the party Central Committee and President Ho Chi Minh decided to divide the territory into resistance zones -- now military zones -- the northern part divided into resistance zones 1, 2, and 3; the central part divided into resistance zones 4, 5, and 6; the southern part divided into resistance zones 7, 8, and 9, while the capital of Hanoi is a special zone directly subordinate to the Central Committee.

In January 1946, Uncle Ho and the party Central Committee decided to establish the party Central Committee's military commission to help the party Central Committee provide military guidance for the whole country and lead the army's party organization. Uncle Ho and the party Central Committee further assigned those cadres who had been forged, trained, and tested through the revolutionary struggle and who had definite credit and ability -- among them many long-standing party members -- to the positions of leading and commanding the various staff, political, and quartermaster agencies; the resistance zones; and the liberation army detachments.

Within only a short period of time, the party Central Committee Standing Committee and President Ho Chi Minh resolved the greatest and core problems concerning the military command organization in our country at that time to ensure absolute, direct, and comprehensive party leadership over the armed forces in our entire country.

We know that earlier, during the August 1945 general uprising, the people in many localities spontaneously rose up to win over the administration and organize the local self-defense and liberation forces that were mostly controlled by the party cadres and in some particular cases by bad elements. It was then very urgent to unify the command of various armed forces, because the complex situation could easily have led to dispersion, division, departmentalism, and localism -- a bad and even dangerous phenomenon which often occurred in the revolutions in the world -- which normally considerably affected the process and development rate of the revolution.

Concerning our own country, we can see that at that time, President Ho Chi Minh and the party Central Committee's Standing Committee promptly organized the various military command agencies so as to quickly unify command and firmly and immediately control the armed forces. These strategic policies and measures of President Ho Chi Minh and the party Central Committee's Standing Committee have greatly influenced the victories of our troops and people not only while the revolutionary administration was still embryonic, but also throughout the whole revolutionary process and revolutionary war afterward.

In compliance with President Ho Chi Minh's directive, the general staff quickly took shape, promptly controlled the armed forces in the north, and organized reinforcements for the various battlefields in the south. The political department began to build the army's party organization. Many of the party members and the National Salvation Youth Union members were assigned to various units. The various party committees of units gradually came into being.

During the early days of the revolutionary administration, faced with the fierce sabotage by foreign aggressors and internal enemies, President Ho Chi Minh and the party had to stage a fierce struggle to preserve firmly the revolutionary administration and the command of the army.

The Nationalist Chinese sent 200,000 soldiers -- under the label of allied troops disarming Japanese soldiers -- to the northern provinces of our

country, pressing us to give the important positions in our government, especially the Ministry of Defense, to the Viet Quoc clique -- the Vietnamese lackey clique -- to create conditions for them to control the army and advance toward overthrowing the revolutionary administration.

In such an extremely complex situation in terms of the balance of forces between the enemy and us and the historic background at that time, we had to adopt a flexible policy by giving the lackeys some of the ministries in the coalition government but resolutely denied them the Defense Ministry and agreed only the appointment of a patriot to the position of defense minister while stipulating that the function of the Defense Ministry was to assume military administration and ensure material supply. As for the duty of commanding the army, it was assigned to the "Resistance Committee, briefly called the Military Committee, with Comrade Vo Nguyen Giap as chairman. Although we had to let Vu Hong Khanh assume the vice chairmanship, the organs that actually helped the military committee were the general staff and the political department, and these two organs were controlled by our party. Particularly, the self-defense force was still within the organizational system of the front (the Viet Minh Front), led directly by our party.

Owing to such a resolute and wise solution by President Ho Chi Minh and the party Central Committee's Standing Committee, our party was still firmly in command of the armed forces that served as a sharp tool to maintain firmly the revolutionary administration and conduct the resistance when the French colonialists returned to invade our country.

In November 1946, after the 200,000 soldiers of Chiang Kai-shek had totally withdrawn, their henchmen's armed forces were also wiped out and the Viet Quoc clique was eliminated from the administration. Then, President Ho Chi Minh and the party Central Committee decided to unify the Ministry of Defense and the Military Committee. The general command was assumed directly by our party, which was totally leading and commanding the army and ensuring its supply. This event marked a great victory in consolidating and strengthening the party leadership and command over the army and made possible the mobilization and organization of the troops and people to engage steadily in the countrywide resistance.

The situation was more difficult and complex in the south. Only a few days after winning over the administration, the southern troops and people had to engage immediately in the resistance movement. Many units were directly led by our party, but others were still controlled by various other parties and even by the reactionaries in various religious sects and the Trotskyists. This complex situation led to nonresistance in some localities and to lax resistance in others. Some units fled the enemy or even surrendered to the enemy.

Our party promptly detected and remedied this situation. In the conference of all-Nam Bo party cadres at Thien Ho on 25 October 1945, comrade Le Duan criticized these mistakes and shortcomings and asserted the need to put an end to such a confused state, enabling the party to control the army firmly. President Ho Chi Minh and the party Central Committee's Standing Committee

decided to leave those comrades who had just been released from the Con Dao Prison in Nam Bo to help strengthen the contingents of party cadres in controlling the various sectors, especially the armed forces. At the same time, Nam Bo was divided immediately into resistance zones no. 7, 8, and 9, and assigned to those cadres who persisted in building resistance. Meanwhile, those bad, speculative, and vacillating elements were eliminated from the army. As a result, the Nam Bo Resistance was conditioned to develop increasingly steady.

Historical realities indicate that under whatever circumstances, the party must always control the armed forces firmly and that if we want to ensure absolute, direct, and comprehensive party leadership over the armed forces, there must be not only reliable party cadres to control each unit and a steady political organ, but also a strong staff agency knowledgeable of organization, training, and command.

Throughout the past 40 years, our general staff has always been a "secret military agency of the masses," an organ to effectively assist the supreme command in leadership and command duties. This organ always complied with the party resolutions, and organized the implementation of all orders and directives of the party Central Committee, its political bureau, and its military commission. The staff agencies at all levels in the army are all command agencies qualified for assisting the party committee and command personnel.

At the beginning, the staff cadres did not have any knowledge of staff work, nor could they benefit anything from the staff duties of the former regime. In compliance with president Ho Chi Minh's directives, they strived to learn while working, thus they have grown stronger step by step, and finally matured. We developed the staff agency of a young army -- which cooperated with the people to conduct guerrilla warfare -- to one of an army composed mainly of infantry, which cooperated with the people in defeating the french imperialists, and finally to one of an army composed of several modern armed branches and services which cooperated with all the people in defeating the U.S. archimperialist and the Chinese expansionists and hegemonists.

Under the party leadership and the direct guidance of the supreme command originally headed by President Ho Chi Minh and now by General Secretary Le Duan, our staff system has matched with many times with the professional, experienced, and perfidious staff system of the international reactionary forces such as the French colonialists, the U.S. imperialists, and the Chinese expansionists, and we have defeated them gloriously.

In compliance with the resolutions of the fourth and fifth party congresses, the party Central Committee and its political bureau, and with General Secretary Le Duan's directives, our People's Armed Forces are making a great step forward in building itself into a highly modern army with a rational organizational structure, stern and self-imposed discipline, and modern weapons and technical equipment. Such an army will be capable of mastering military technology, firmly grasping the military techniques of the people's warfare for national defense, and together with the people, smashing all

schemes of the aggressors, firmly defending the Vietnamese fatherland, fulfilling our international obligations to fraternal Laos and Cambodia, and making worthy contributions to the world people's revolution.

This great and glorious mission of our army requires that staff agencies at all levels -- especially the strategic staff -- be well aware of the characteristics and requirements of the new situation and tasks, thoroughly know the revolutionary and military lines of the party in the new stage, firmly grasp modern military science, arts, and technology; and improve the working method and behavior in order to meet the requirements of building an all--people, comprehensive, and modern national defense, and the powerful armed forces of the people for the people's warfare for national defense under modern conditions.

On the occasion of the 40th anniversary of the day when President Ho Chi Minh decided to establish the general staff and the staff system at all levels, all staff cadres along with all the troops pledge to continually and adequately implement his teachings, and constantly strive to study, work, forge our qualities, raise the standard of our knowledge, and remain worthy of being the cadres and party members of a "secret military agency of the masses and a nerve center of the army." We must know well how "to organize and conduct military training and firmly grasp the situation of the enemy and ours" how "to devise good plans and organize thorough, secret, quick, timely, and accurate command duties so as to defeat all enemies." We resolve to make worthy contributions to building the staff agency into "a firm, strong, and talented staff branch worthy of the resourceful, creative, heroic, and undaunted Vietnamese nation" as expected by respected and beloved Uncle Ho.

CSO: 4209/24

MILITARY AFFAIRS AND PUBLIC SECURITY

PHAM HUNG'S LETTER TO ARMED FORCES HERO HONOREES

BK031004 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Oct 85

[Vice Chairman of the Council of Ministers Pham Hung's 2 October letter to units, officers, and combatants of the People's Public Security Forces that have recently been awarded the People's Armed Forces Hero title]

[Text] On the occasion of the commemoration of the 40th anniversary of 2 September National Day, the SRV party and state have awarded the Labor Hero title and the People's Armed Forces Hero title to a number of units. On behalf of the People's Public Security Forces, I warmly welcome all heroic units, labor heroes, and heroes of the People's Armed Forces who have just been commended.

Dear comrades, our party and state highly value the combat tradition and the glorious achievements of the People's Public Security Forces on the occasion of the commemoration of their 40th founding anniversary. Our party and state have twice awarded the Gold Star Order to the People's Public Security Forces. Today, our party and state award the People's Armed Forces Hero title to 34 units and 8 officers and combatants of the People's Public Security Forces for their outstanding achievements in enhancing the tradition of fine character and in developing the glorious achievements of the People's Public Security Forces. It is a great encouragement for the officers and combatants of the People's Public Security Forces and for you who represent the forces to receive these noble titles.

On behalf of the Ministry of Interior, I warmly greet and embrace all of you comrades. I urge you all to strive to uphold the noble title awarded by the party and state and to develop the significance and role of this glorious award in order consistently to encourage the People's Public Security Forces to surge forward to score new, more outstanding achievements.

On this occasion, on behalf of the officers and combatants of the People's Public Security Forces, I would like to express my sincere gratitude to the party Central Committee, the Council of State, and the Council of Ministers for their concern, leadership, training, and building the People's Public Security Forces into a consistently strong and mature force in all aspects. I also thank various echelons of party committees, the administration, mass organizations, and parents who have positively contributed to educating,

forging, assisting, and building the People's Public Security Forces which resulted in the existence of various heroic units and heroes.

I earnestly hope that various echelons of party committees and heads of various units of the People's Public Security Forces will strive to improve themselves and create conditions for our heroic units and heroes to consistently develop the role of this noble title. I call on all officers and combatants of the People's Public Security Forces to strive to study, train, and learn from various heroic units and heroes; strive to scrupulously implement esteemed President Ho Chi Minh's six teachings for the People's public Security Forces, accelerate the emulation movement for national defense, vigorously develop the revolutionary heroism, and build the People's Public Security Forces into a realistically pure, firm, and strong force to be worthy of the entrusted instrument of the party, the sharp tool of the dictatorship of the proletarian state, and the beloved sons and brothers of the people.

My cordial and determined-to-win salutations.

CSO: 4209/24

INTERNATIONAL RELATIONS, TRADE, AND AID

PAP CITES INTERVIEW WITH VIETNAM'S NGUYEN CO THACH

ID011729 Warsaw PAP in English 1125 GMT 1 Aug 85

[Text] Warsaw, Aug 1--Forty years after the revolution in three Indochinese countries and 10 years after victory over the U.S. aggression, Vietnam's Foreign Minister Nguyen Co Thach told the Polish daily RZECZPOSPOLITA that Indochina "wants and needs peace."

Referring to the conflict with Vietnam's northern neighbour, he said: "Our enemies should become aware that these 40 years of conflicts and tensions in South-East Asia brought only harm. It seems to me that the proper moment has come for all of us to sit down at a table and talk to each other."

Vietnam has many a time called on the Chinese Government "to take up efforts to normalize relations between Peking and Hanoi," but "the only answer was fire on the border. That is why we propose to cease fire to sit at a negotiating table. Then, the Chinese laid down a preliminary condition to withdraw our troops from Kampuchea, but we cannot accept this condition," Nguyen Co Thach said.

"The opinion of Indonesia (on the so-called problem of Kampuchea), that is, wise, mature and independent policy, in short, a policy of peace--will now be of decisive importance. And Indonesia chose Vietnam as its partner to the talks on Indochina. It is exactly the domination of Indonesia which indicates that some changes took place in the ASEAN policy...after all, the policy of agreement with Vietnam also enjoys support of important political circles in Thailand," Nguyen Co Thach said.

CSO: 4200/21

INTERNATIONAL RELATIONS, TRADE, AND AID

USSR'S VOROTNIKOV SPEECH AT MUSEUM GROUND BREAKING

BKO61510 Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Sep 85 pp 1, 3

[Speech by V.I.Vorotnikov, member of the CPSU Central Committee Politburo and chairman of the RSFSR Council of Ministers, at 31 August Hanoi ceremony to start construction of Ho Chi Minh museum]

[Text] Dear Comrade Le Duan,

Dear Comrades and Friends:

Today, as the fraternal Vietnamese people are about to celebrate their National Day, marking the 40th anniversary of Vietnam's declaration of independence, we are happy to attend the ceremony to lay the cornerstone for the construction of the museum bearing the name of Ho Chi Minh, a great son of the Vietnamese nation, an eminent activist of the international communist and national liberation movements, and a great friend of the Soviet Union.

The Soviet people clearly know and remember Comrade Ho Chi Minh as a staunch Leninist, a patriotic fighter, and an enthusiastic advocate of internationalism. Comrade Ho Chi Minh devoted all his life and talent as a revolutionary fighter to the struggle for his nation's bright future and for the total victory of Marxism-Leninism. His name is closely linked with the birth of the communist party -- the vanguard unit of the working class and all the laboring people in the struggle to liberate the country and successfully build socialism in Vietnam.

Following the success of the Great October Socialist Revolution, V.I. Lenin wrote that the revolutionary movement of the peoples in the east can only develop if it is closely linked with the revolutionary struggle of the Soviet Republic against international imperialism.

Highlighting the significance of the Great October Revolution toward the world revolution, Comrade Ho Chi Minh asserted that the Marxist-Leninist torch and the doctrine and experience of the Great October Revolution had lit the way for the revolution in Vietnam.

It was the fervent wish of the young revolutionary fighter to meet the great Lenin. Unfortunately, his wish remained unfulfilled. But, throughout his

life, Comrade Ho Chi Minh followed the light of the ideology of the proletariat's great leader; and to him, Lenin's ideals became the guiding star. Comrade Ho Chi Minh pointed out: "Regarding this relationship in the view of the backward and the lowly, the nations of the east consider Lenin the symbol of fraternity,. They not only feel grateful toward him but also deeply love him. They respect him as they do their parents."

The source of the relationship between the peoples of our two countries is inseparable from the fraternal assistance given by the Soviet communists and people to the first Marxist-Leninist Vietnamese and later on, to the Indo-chinese Communist Party.

It is the very evolution of history that has drawn our two peoples close to each other and led them to suitable forms of cooperation for each period to achieve the lofty common goals, for the success of socialist and communist ideals on which President Ho Chi Minh expounded with zeal.

The Soviet people's great patriotic war (1941-45) gave a great spiritual boost to the national liberation movement in Vietnam. The victories over Hitlerite Germany and militarist Japan created favorable conditions for the successful conclusion of the August Revolution and the founding of the Democratic Republic of Vietnam.

Loyal to its internationalist duty, the Soviet Union gave the Vietnamese people the necessary support in their struggle against the French colonialists and the U.S. imperialists as well as fraternal assistance in their undertaking to restore the economy of their war-ravaged country.

Comrade Ho Chi Minh did not live to see the great historic day -- the total liberation of the south and reunification of the fatherland. Nevertheless, he always believed that day would surely come. The historic successes recorded by the heroic Vietnamese people are the most imposing memorial to President Ho Chi Minh.

The Soviet people, the peoples of other countries in the socialist community, and the communist and national liberation movements in the world pay tribute to this great son of the Vietnamese nation. A monument will be erected in his honor at Ho Chi Minh Square in Moscow. This event, together with the recent unveiling in Hanoi of the monument of the V.I. Lenin, leader of the world proletariat, is a new, important milestone in the relationship between the parties and peoples of our two countries.

I am sure that the Ho Chi Minh Museum -- which reflects respect and love for a thinker, a revolutionary fighter, and an eminent internationalist -- will serve as a great ideological center to popularize Marxism-Leninism, the history, lines, and policies of the CPV, and the achievements recorded by the Vietnamese working people in implementing his teachings and testament.

The Ho Chi Minh Museum must also play a major role in educating the young generations of the SRV. The exemplary life of actions of Comrade Ho Chi Minh -- who deserves to rank among genuine Leninist revolutionaries -- not

only assimilates and realizes in practice Lenin's gifted doctrine but also demonstrates the powerful appeal of communist ideals.

Implementing Comrade Ho Chi Minh's testament, the Vietnamese people are persistently struggling for peace and friendship among nations; and, at the same time, are heightening their vigilance against imperialist and hegemonist forces that are sabotaging their cause of peaceful national development, and strengthening militant solidarity with the Soviet Union, Laos, Cambodia, and other fraternal countries. The Soviet people totally support the constructive stand and realistic actions of the SRV, the LPDR, and the PRK aimed at improving the situation in Southeast Asia and bringing to this region an atmosphere of good neighborliness, trust, and cooperation as proclaimed in a statement adopted recently at the conference of foreign ministers of these countries.

Today, the SRV is a reliable bastion of the forces of peace and socialism in Southeast Asia. As before, the Soviet people led by the party of Lenin are loyal friends and reliable allies of the Vietnamese people.

The fraternal friendship and unbreakable solidarity between the peoples of our two countries have been further consolidated and developed successfully with each passing day. This was again confirmed during the recent official friendship visit to the Soviet Union by a party and government delegation of the SRV led by Comrade Le Duan, general secretary of the CPV Central Committee, and during the talks between Comrade Le Duan and comrade M.S. Gorbachev, general secretary of the CPSU Central Committee. This visit -- which greatly contributed to strengthening the friendly and fraternal relations and the effective all-round cooperation between the CPSU and the CPV as well as between the Soviet Union and the SRV -- marks a new, realistic step taken to realize the testament of Comrade Ho Chi Minh, the founder of Vietnam-USSR friendship.

The name and work of Comrade Ho Chi Minh will live forever!

Long live unbreakable Soviet-Vietnamese friendship!

CSO: 4209/24

INTERNATIONAL RELATIONS, TRADE, AND AID

VAN TIEN DUNG DELEGATION ENDS VISIT TO GDR

OW301205 Hanoi VNA in English 0735 GMT 30 Sep 85

[Text] Hanoi, VNA, Sep 30--The Vietnamese military delegation led by General van Tien Dung, Political Bureau member of the Communist Party of Vietnam Central Committee and minister of national defence, left Berlin on September 28, concluding its friendship visit to the German Democratic Republic.

It was seen off at the airport by General Heinz Hoffmann, Political Bureau member of the Socialist Unity Party of Germany (SED) Central Committee and minister of national defence; Dr Herbert Krolikowski, under-secretary of state and first deputy foreign minister; and many other German senior officers.

Ambassador Tran Hoai Nam and other staff members of the Vietnamese Embassy in the GDR were present on the occasion.

Addressing the send off party held before the delegation drove to the airport, generals Van Tien Dung and Heinz Hoffmann expressed satisfaction at the success of this visit, which contributed to the further development of the fraternal friendship, militant solidarity and cooperation between the peoples and armies of Vietnam and the GDR.

While there, the Vietnamese delegation attended a big meeting held to welcome it by the border guard regiment named after President Ho Chi Minh.

The GDR side included General Heinz Hoffmann; Colonel-General H. Kessler, member of the SED CC and head of the general political department of the GDR People's National Army, Lieutenant General Baukart Stell, deputy minister of national defence and chief of the border guard command.

Vietnamese Ambassador Tran Hoai Nam was present.

Addressing the meeting, Lieutenant General Baukart Stell, expressed admiration for the achievements and victories recorded by the Vietnamese people and army in national construction and defence.

After exalting the friendly ties between the two peoples and armies, he expressed his belief that the militant solidarity between the GDR and Vietnam will further develop and that no force can break it.

In reply General Van Tien Dung said he felt greatly honoured to visit the native land of Karl Marx and Friedrich Engels and expressed thanks for the fraternal sentiments of the GDR people, who, he said, are Vietnamese brothers fighting for the same ideology and objectives and who are shouldering the glorious historic duty as an outpost of the socialist system in the west just as Vietnam is its outpost in the east.

The Vietnamese military leader said he highly valued the great efforts made by the GDR people, under the SED leadership headed by General Secretary Erich Honecker and with the assistance of the CMEA member countries, to turn the GDR into a developed country and a bulwark of socialism and peace-loving forces in Europe.

He expressed his joy at the rapid growth and high fighting capacity of the GDR Army, which has contributed to the defence of peace in Europe and the rest of the world.

On the situation in Vietnam and the Asia-Pacific region as a whole General Van Tien Dung reiterated the Vietnamese people's ardent desire to live in peace and friendship with all other nations, especially with neighbouring countries. "We are determined, however, to safeguard the independence, sovereignty and vital interests of our nation," he said.

He expressed the Vietnamese people and armed forces' profound gratitude to the SED, the government, the people and the army of the GDR for their support and assistance to the Vietnamese revolutionary cause.

He wished the GDR people and army still greater achievements to welcome the 11th Congress of the SED and the unbreakable militant solidarity and close ties between the peoples and armies of Vietnam and the GDR constant consolidation.

On behalf of the Vietnamese State Council, General Van Tien Dung conferred the Friendship Order on the GDR's "Ho Chi Minh" border guard regiment."

While in the GDR, the Vietnamese military delegation visited a number of military institutes and military units.

CSO: 4200/21

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN ON HO CHI MINH CITY, PHNOM PENH RELATIONS

BK081052 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Oct 85

[Article by (Dang Chau) in recent issue of NHAN DAN dealing with close relations between Ho Chi Minh City and Phnom Penh, capital of Cambodia]

[Summary] "After Cambodia was liberated from the genocidal clique, with the consent of the SRV and PRK Councils of Ministers, Ho Chi Minh established sisterhood with the capital of Phnom Penh to help this Cambodian city rapidly restore itself in all aspects--economic, political, cultural, and national security and defense."

Shortly after it was liberated, Phnom Penh was a city of death. "Between 1979 and 1980, despite being itself still rife with difficulties, Ho Chi Minh City sent thousands of cadres, technical workers, and laborers, together with equipment and materials, to help bring the capital of Phnom Penh back to life."

Ho Chi Minh City also hurried to help Phnom Penh train a number of cadres and technical workers and build its mass organizations and armed forces to quickly restore social order. "Apart from this, it assisted this sister city in bringing home tens of thousands of its residents from other provinces, transporting more than 700,000 metric tons of goods donated by various international organizations and socialist countries, and rebuilding roads, bridges, ports, and warehouses."

Since 1981, efforts have been made by the two cities to improve their economic cooperation both qualitatively and quantitatively. "The value of goods exchanged between the two sides increased noticeably, from 8 million dong in 1981 to 48 million dong in 1982 and almost 100 million dong in 1984."

Ho Chi Minh City also helped Phnom Penh build its industrial, small industrial and handicraft, animal husbandry, marine products, and fish sauce processing sectors; carry out agricultural development; zone off areas for the cultivation of vegetables; repair and restore movie theaters and printing shops; supply raw materials for industrial and small industrial and handicraft production; and build or repair a number of irrigation and electric power projects.

In implementing their economic cooperation over the past 5 years, Ho Chi Minh City has created all the favorable conditions for the restoration and

development of Phnom Penh. Hundreds of specialists have been sent by Ho Chi Minh to assist Phnom Penh in the economic, cultural, political, and security fields.

This year Ho Chi Minh City is helping its sister city train a number of economic and cultural management cadres, build or repair markets, renovate streets, and develop its industry, small industry and handicrafts, and trade.

CSO: 4209/29

INTERNATIONAL RELATIONS, TRADE, AND AID

GDR ENVOY GIVES STATEMENT ON GDR NATIONAL DAY

BK071314 Hanoi Domestic Service in Vietnamese 0500 GMT 7 Oct 85

[Statement by Dr Hermann Schwiesau, GDR ambassador extraordinary and plenipotentiary to the SRV, to listeners of the Voice of Vietnam on the occasion of the GDR's 36th National Day--recorded in German fading into superimposed Vietnamese translation]

[Summary] Dear Vietnamese comrades and friends, I would like to avail myself of the occasion of the GDR's 36th National Day to convey to you the warm fraternal greetings from the people of the GDR. Celebrating their 7 October National Day, the working people of the GDR are proud and pleased to look back upon the successful development of their country; at the same time, they can look forward to the future with firm confidence. "We know that standing by our side are loyal and reliable friends, among them, the fraternal Vietnamese people and the unified and free Vietnamese socialist state bound to us by lasting feelings of friendship and solidarity."

Our two peoples know only too well the horror of war. By our own experience, we have learned what great efforts are needed to heal the wounds of war; and consequently, we always take the vanguard position in the struggle to protect mankind from a nuclear holocaust. Recently, Comrade Erich Honecker, first secretary of the SED Central Committee and chairman of the GDR State Council, again affirmed that the supreme doctrine of the GDR has been, is, and will forever be to safeguard peace. He pointed out that the Soviet Union and other countries of the socialist community have advanced many constructive and practical proposals and unilaterally taken the first steps aimed at checking the arms race and easing world tension.

"With deep concern and support, [word indistinct] people are following the great efforts made by their Vietnamese friends to turn Southeast Asia into a zone of peace and stability. The GDR supports the constructive proposals put forth at the 11th Conference of Foreign Ministers of the Indochinese Countries. the GDR highly appreciates the persistent efforts of the SRV aimed at establishing good-neighborly relations with all countries in the region.

"Dear Vietnamese comrades and friends, we note with pleasure that the fraternal alliance between our two countries and peoples is continuing to develop in an all-round manner. We are successfully implementing the treaty of friendship

and cooperation signed by the top representatives of our two fraternal parties and states in 1977. Be it in the political or economic field, in public health or culture, and in vocational or higher education, our relations in all areas of social life have grown increasingly stronger and closer and benefited ever more greatly our two nations.

"In the GDR at present, thousands of young workers from your country are being prepared for participation in socialist construction in Vietnam with specialized knowledge and good professional experience. Many GDR specialists are now working together with their Vietnamese colleagues to build socialist enterprises of the industrial and agricultural sectors as well as in the field of public health in the SRV; and their joint labor is bringing about good results. This is creating new conditions and possibilities for further expanding our rich relations in the interests of our two peoples and states, and for enhancing the strength of the socialist community of which the GDR and the SRV are stable members."

Dear Vietnamese comrades and friends, the GDR people wish you many new and great successes in implementing the big tasks set forth at the Fifth CPV Congress to accelerate the process of socialist development in your country. The working people of the GDR always stand by your side in your endeavor to build a prosperous socialist Vietnam.

CSO: 4209/29

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

GDR AMBASSADOR ATTENDS CELEBRATIONS--Hanoi VNA 3 October--Cadres and workers of the Minh Khai Textile Mill in Hanoi today held a meeting to celebrate the 36th anniversary of the National Day of the German Democratic Republic (7 October). Present at the meeting were representatives of the Foreign Ministry, the party Central Committee's International Department, the Vietnam Committee for Solidarity and Friendship With Other Peoples, and central and Hanoi public offices. GDR ambassador Hermann Schwiesau and staff members of the embassy also attended. Addressing the meeting, Mrs Nguyen Thi Tam, labour heroine and director of the mill, hailed the great successes of the GDR people over the past 36 years, and exalted the longstanding friendship between the working people of Vietnam and the GDR. She expressed sincere thanks for the GDR people's solidarity with and support for Vietnam now as in the past. In his speech, the GDR ambassador expressed the warm sentiments and strong support of the GDR people for the Vietnamese people in their national construction and defence. [Text] [Hanoi VNA in English 0816 GMT 4 Oct 85 OW]

U.S. COMMUNIST PARTY HEAD--Hanoi VNA 7 October--Le Duan, general secretary of the Communist Party of Vietnam Central Committee, has extended his warmest congratulations to Gus Hall, general secretary of the Communist Party USA Central Committee, on the occasion of his 75th birthday. The congratulatory message wishes Gus Hall "a loyal son of the American working class, an outstanding leader of the Communist Party USA" many successes in his revolutionary cause. It also wished for further consolidation and development of the militant solidarity between the two parties, the working class and people of the two countries. Le Duan expressed his sincere thanks to Gus Hall, the Communist Party USA, the working class and the democratic and progressive forces in the United States for their warm support to the Vietnamese people in their cause of national defence and socialist construction. [Text] [Hanoi VNA in English 1505 GMT 7 Oct 85 OW]

INDOCHINESE HYDRAULIC RESOURCE SEMINAR--Hanoi VNA 7 October--A seminar on evaluation of hydraulic resources of Mekong territory lower basin of the three Indochinese countries was opened in Ho Chi Minh City today under the joint sponsorship of the Mekong National Committees of Vietnam, Laos, and Kampuchea. The 5-day seminar was attended by more than 60 scientists, researchers, and specialists of the branches concerned of Vietnam, Kampuchea and Laos. Twenty-two scientific papers are expected to be delivered at the seminar. They will deal with the results of basic survey and research on hydraulic resources of

the Mekong River in each country. The use, exploitation and protection for hydraulic resources of the Mekong River in service of agricultural development, aquatic products, hydro electric power, marine transport and forestry production for the benefits of each country and the three countries. [Text] [Hanoi VNA in English 1518 GMT 7 Oct 85 OW]

NEW PANAMANIAN LEADER--Hanoi VNA 8 October--President of the State Council Truong Chinh has extended his warm congratulations to Eric Arturo del Valle on his election as president of the Republic of Panama. In his message of congratulations, the Vietnamese president wishes the friendly relations between Vietnam and Panama further consolidation and development. [Text] [Hanoi VNA in English 0702 GMT 8 Oct 85 OW]

CSO: 4200/56

PARTY ACTIVITIES AND GOVERNMENT

NGUYEN VAN LINH ADDRESSES SYMPOSIUM ON HO CHI MINH

BK301013 Hanoi Domestic Service in Vietnamese 1430 GMT 29 Sep 85

[Text] A scientific symposium on the theme "Uncle Ho and the South, the South and Uncle Ho" was jointly held in Ho Chi Minh City 26-28 September by the Ho Chi Minh Museum and the Science and Education and the Propaganda and Training Departments of the Ho Chi Minh City party committee to mark President Ho Chi Minh's 95th birthday and the 40th anniversary of the sending of his first letter to the people in Nam Bo.

The symposium was attended by more than 200 delegates including researchers; professors; veteran revolutionaries; people from all walks of life, nationalities, and religions; and armed forces cadres of 20 southern provinces and cities. More than 100 reports were presented during the symposium, highlighting Uncle Ho's boundless love for the southern people and combatants and the southern people's confidence in and respect and love for Uncle Ho and the party. It was Uncle Ho's concern and care for the southern people that constituted an inexhaustible source of inspiration and encouragement spurring them to advance to achieve national liberation and reunification and, at present, to join the rest of the country in zealously building socialism and defending the socialist fatherland.

Comrade Nguyen Van Linh, member of the party Central Committee Political Bureau and secretary of the Ho Chi Minh City party committee, attended and made a statement at the symposium. He warmly welcomed the scientists and other delegates to the symposium and acknowledged their many efforts in gathering documents and carrying out research on Uncle Ho in connection with the south and on the southern people's sentiments toward him. In his capacity as one of the former leaders of the southern revolution who have had the honor of meeting Uncle Ho, Comrade Nguyen Van Linh related many moving stories concerning his meetings with the late president and Uncle Ho's sentiments toward the southern cadres, combatants, and people. He also told some anecdotes about the people of different nationalities in the south who, though living under U.S.-puppet coercion in the past, always turned their minds toward the party and venerated and esteemed Uncle Ho.

Comrade Nguyen Van Linh expressed the hope that researchers and large numbers of people in all localities would be provided with many more documents. In particular, profound studies must be conducted to bring out the sentiments of the

southern people--including those living in the mountains, the countryside, and the cities and people of all social strata, religions, and nationalities--toward the nation's venerated and beloved leader. This is a task of topical significance which will also have a very great impact on the education of the future generations.

CSO: 4209/12

PARTY ACTIVITIES AND GOVERNMENT

TO HUU SPEAKS AT MUSEUM GROUND BREAKING

BK071116 Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Sep 85 pp 1, 3

[Speech by To Huu, member of the party Central Committee Political Bureau, at 31 August Hanoi ceremony to start construction of Ho Chi Minh Museum]

[Text] With respect to Comrade Le Duan, general secretary of the CPV Central Committee, and other comrade leaders of the party and state of Vietnam;

With respect to Comrade V.I. Vorotnikov, member of the CPSU Central Committee Politburo, chairman of the RSFSR Council of Ministers, and head of the Soviet party-state delegation, and other comrade members of the delegation;

With respect to Comrade Ramiro Valdes, head of the party and state delegation of the Republic of Cuba, and other comrade members of the delegation;

With respect to international guests and comrades in the diplomatic corps;

Dear comrades and compatriots:

Forty years ago, on 2 September 1945, at the Ba Dinh Square, President Ho Chi Minh read the declaration of independence, thus founding the Democratic Republic of Vietnam, the first worker-peasant state in Southeast Asia, and ushering in a new era of independence, freedom, and socialism for the Vietnamese people.

Today, again at this historical square and amid the vibrant atmosphere of our nation's Independence Day, we solemnly hold a ceremony to start the construction of the Ho Chi Minh Museum, a project to remember the founder and first president of our state and the brilliant national hero who has glorified our fatherland--great President Ho Chi Minh.

President Ho Chi Minh's reputation and cause are closely linked to the glorious history of our party and to the most illustrious pages of the history of 4,000 years of national construction and defense of our people.

President Ho Chi Minh was the first Vietnamese to perceive Marxism-Leninism and to illuminate our people's struggle with the truth of the age, thereby advancing our revolution under the path of the great October Revolution.

He founded the Communist Party of Vietnam, the National United Front, and the People's Armed Forces--the factors that ensured the victory of the August Revolution, thus leading to the birth of the Democratic Republic of Vietnam.

He led our people in carrying out the two great wars of resistance against the French colonialists and U.S. imperialists and in achieving resounding victories of epochal significance, thus contributing to the collapse and disintegration of the system of colonialism, old and new, and putting our nation among the advanced nations of the world.

He was a brilliant fighter of the movement for national liberation and the international communist and workers movement, who combined patriotism closely with proletarian internationalism and who struggled tirelessly for solidarity and friendship among nations.

He laid the solid foundation for the unshakable fraternal friendship and militant solidarity between the peoples of Vietnam and the Soviet Union, and devoted all his life to struggling for the constant consolidation and development of the solidarity and friendship between the two nations.

As a revolutionary leader of high and noble quality, he exhibited shining examples such as revolutionary will, the sense of independence, patriotism, a profound love for his people, diligence, frugality, honesty, impartiality, and a modest and simple life. His image will be engraved forever in the heart of every Vietnamese.

For that reason, after his death, in compliance with the aspirations of our entire people and armed forces, our party and state decided to build a mausoleum to preserve his remains. Our party and state also decided to build the Ho Chi Minh Museum so that our people in the country and abroad and our friends throughout the world can have a place to pay tribute to him and to study his brilliant life, cause, and ethics.

The Ho Chi Minh mausoleum was inaugurated 10 years ago. The construction of the Ho Chi Minh Museum will officially start today.

The Ho Chi Minh Museum will be a modern, imposing, and simple national architectural project to fully manifest our people's profound gratitude to and admiration and respect for President Ho Chi Minh from one generation to another.

Together with the mausoleum of President Ho Chi Minh and the site of historical relics at the presidential palace, the Ho Chi Minh Museum will form a harmonious architectural complex to serve as a [word indistinct] permanent memorial for our great teacher and highly respected and beloved leader.

Dear distinguished guests, dear comrades and compatriots,

The party, government, and people of the Soviet Union helped us build the mausoleum of President Ho Chi Minh. Now, they again are assisting us in building the Ho Chi Minh Museum. I would like to express the deep gratitude of the party and people of Vietnam to the party, government, and people of the

Soviet Union for the heartfelt assistance manifesting their profound feelings toward President Ho Chi Minh--outstanding student of great V.I. Lenin and close friend of the Soviet people. This is another splendid manifestation of the fraternal friendship and militant solidarity between the two parties and peoples of Vietnam and the Soviet Union. Complying with President Ho Chi Minh's testament, the party and people of Vietnam pledge to do all they can to consolidate and strengthen that great friendship and close militant solidarity for the benefit of the peoples of the two countries and the sake of peace, national independence, and socialism.

At the ceremony to start the construction of the museum today, we are very happy to welcome the Soviet party-state delegation led by Comrade V.I. Vorotnikov, member of the CPSU Central Committee Politburo and chairman of the RSFSR Council of Ministers, which has been here to visit our country and to attend various activities marking the 40th anniversary of the August Revolution and 2 September National Day with us. We are also happy to welcome various international guests and friends in the diplomatic corps. Your presence at this ceremony shows the warm feelings of our comrades and friends throughout the world toward President Ho Chi Minh. We sincerely thank you, comrades and friends.

The ceremony to start the construction of the Ho Chi Minh Museum is being held on the same day as the inauguration of the monument of V.I. Lenin--talented leader and great teacher of the proletariat and working people throughout the world. This shows our close attachment and unswerving loyalty to the ideals of Marxism-Leninism and socialist internationalism. This historical event also manifests our determination to follow the road mapped out by V.I. Lenin and shown by President Ho Chi Minh.

I strongly believe that with their memory of and profound gratitude to esteemed Uncle Ho, with their sense of honor and responsibility, and with the wholehearted assistance the comrade Soviet experts, the forces participating in the construction of the Ho Chi Minh Museum will work selflessly with rigorous discipline and will develop their skills and creativity and organize and manage work satisfactorily in order to ensure the construction of the project is completed on schedule with high quality. This is aimed at putting the museum into operation on the occasion of his 100th birth anniversary. The construction of the Ho Chi Minh Museum will serve as a bounteous source of encouragement for our people to surge forward to fulfill successfully all political tasks in the immediate future.

May all comrade Soviet experts and all architects, project engineers, technical cadres, and workers, as well as all forces participating in the construction of this particularly important political project, outstandingly fulfill their assignment, thus being worthy of the confidence of our entire party, people, and armed forces.

On behalf of the party Central Committee, National Assembly, Council of State, and Council of Ministers, I declare the start of construction of the Ho Chi Minh Museum.

ECONOMIC PLANNING, TRADE, AND FINANCE

TO HUU ARTICLE ON ECONOMY, LAST INSTALLMENT

OW300933 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Sep 85

["Last part" of article by To Huu, member of the Political Bureau of the CPV Central Committee and vice chairman of the SRV Council of Ministers, published recently in NHAN DAN: "Abolish the Bureaucratic Mechanism of Economic Management Based on State Subsidies and Solve Some Pressing Problems Related to Prices, Wages, and Money"]

[Text] 1. Prices

On the basis of the aforementioned objectives and guidelines, adjustments of the price system also include the adjustment of comparative value relationships and the price management mechanism as follows:

The general principle for the adjustments of the price system is determined by commodity prices in line with their values--which, more conspicuously, consist of the amount of social labor needed for their production--and in consonance with the real buying power of currency. Price fixing must be based chiefly on planning, the implementation of economic accounting and socialist business transactions, and the positive application of market and supply-demand relationships.

Under conditions in which we are advancing to large-scale socialist production while small-scale production still prevails and agriculture still remains a front of foremost importance, paddy prices must be used as standards for computing other commodity prices and for the entire price system.

a. Compute all expenditure factors and correctly determine the production costs for industrial commodities: specifically, compute all expenses into the new wages--the V factor, calculated on the basis of new prices--in the production areas concerned; compute sufficient fixed asset amortizations--the T 1 factor--according to the guidelines for amortizations necessary for big repairs; for basic amortizations, the amortization of machine and equipment capacity. Correctly and adequately compute material values--the T 2 factor; for domestically-produced materials, include all expenses in the prime costs; for imported materials, compute prices on the basis of the imported prime costs, according to the new, definitive comparative local prices, and according to domestic price policies. Along with computing all the expenses that are not

yet included into production costs and that consequently cause production costs to be artificially low, we must immediately eliminate all irrational and unlawful expenses that artificially raise production costs.

In order to compute production costs adequately and correctly, it is extremely important to reevaluate imported materials. To this end, it is necessary to correctly determine the definitive comparative local prices, using the national price relationship as the main basis. Take the initiative in reflecting international prices on the domestic price system through definitive comparative local prices. The new, definitive comparative prices must be close to reality, and must ensure normal and profitable export-import business.

On the basis of reorganization, create, step-by-step, an export-import structure with increasingly higher efficiency, and strengthen export-import management in accordance with the principle of state monopoly on foreign trade and uniform state management of foreign exchange. Combat business competitiveness that drives prime production costs higher. Correct policies must be worked out to ensure foreign trade balance through receipts and loss compensations and, on that basis, export-import taxes should be levied.

b. Adjust wholesale prices for industrial commodities, materials, and consumer goods on the basis of production costs--with all expenses included, and a proper profit for the producer--ensuring that they reflect the state economic policy.

The wholesale prices of enterprises must cover all production expenses on the basis of a rational material-labor norm, and a proper profit margin, so that the enterprises can carry out expanded production, and so that any accumulation can be held for the state. The wholesale prices for enterprises and their financial system must provide stimulation and create conditions for them to implement the financial autonomy system, take the initiative in developing production and business, and truly engage in economic accounting.

Wholesale prices of manufacturers for materials and industrial consumer goods must reflect the accumulation-consumption policy of the party and state. The state does not levy state taxes on the means of production, or levy only a moderate tax. Particularly, the state does not collect state taxes on the means of production for agricultural support. In some specific cases, it may even compensate for losses, considering it part of its agricultural investment policy. As for industrial consumer goods, the state collects appropriate state taxes according to the nature of the commodity.

In general, readjustments of wholesale prices must not cause reductions in state revenues, but must increasingly raise the financial revenues of the industry and the state. Readjustments of wholesale prices must be aimed at bridging the price gap localities and installations have long enjoyed--thanks to the low prices of materials, energy, and fuel supplied by the state. The sales prices of imported materials and commodities must be in line with price relationships and national price policies, and, at the same time, must be aimed at encouraging the domestic production of materials to replace imported goods and encouraging the economical use of the imported materials.

On the basis of uniform state management and state monopoly in the trading of essential materials and industrial consumer goods, the central government fixes uniform prices--with differences in prices for different regions--for these types of commodities.

There may be some types of commodities on which the state takes the initiative in adjusting their prices to bring them more into line with the new prime production costs, with all expenses included, but we cannot simultaneously, and greatly, hike all state retail prices above the market prices; such a move will lead to extremely complicated consequences for the production-business work of sectors, localities, and all installations, as well as affect the people's livelihood, and all socioeconomic issues. Therefore, it is necessary to thoroughly grasp the aforementioned principles and policies, and correctly determine the V, T 1 and T 2 factors, especially, the definitive comparative prices--a very important factor in determining the new price system, and the comparative prices of industrial-agricultural products.

Definitive comparative prices must be computed on the basis of purchases, done primarily through economic contracts, and at rational prices; the producer can cover all the expenses and realize an appropriate profit margin on the basis of correct comparative industrial-agricultural prices. As for industrial commodities for export, we must--on the basis of a rational production organization and goods circulation--produce quality exports with increasingly higher efficiency. Meanwhile, the organization of export-import management must be improved in accordance with the principle of abolishing subsidization and definitively switching to socialist economic accounting and business transactions. We must revamp industrial production and the export-import work to achieve greater efficiency, improve goods circulation, compute norms correctly, and eliminate irrational and unlawful production and circulation expenses. We must readjust definitive comparative prices to higher levels to suit the economic and financial situation and the buying power of currency, and encourage exports. We will not tolerate, however, a situation in which prices and comparative prices are raised due to competitiveness in trading and export-import business done at any price.

Along with re-computing wholesale prices and practicing economic accounting, we must handle a series of problems concerning the structure and organization of production management at the national-economy level as well as in each sector and production installation, according to the viewpoint of thoroughly eliminating subsidization and implementing socialist business transactions.

Regarding those enterprises suffering from production losses, production lines must be reviewed, and, if necessary, their production must be shifted in another direction, even if this involves closure.

We must revamp the circulation system of material supplies, home trade, and foreign trade, and immediately eliminate unnecessary intermediate links, so that commodities from the producer can reach the consumer by the shortest way possible and are sold at reasonable prices.

Doing a good job in carrying out these measures, while readjusting goods distribution and circulation, will enable us to compute definitive comparative prices at appropriate levels without causing possible upheavals to the production-business work, the market, and prices.

C. Retail Prices must be determined on the basis of commodity values, with relationships among supply, demand, money, and goods taken into consideration, and must reflect the socioeconomic policy of the party and state. Production lines consumer demand must be taken into consideration when working out policies on retail prices for consumer goods. Industrial food products and industrial consumer goods in general must ensure appropriate accumulations for the budget--except some essential production lines for which there are small or no accumulations. As for some basic product lines of the most essential types, the state does not seek accumulations, and even may compensate for losses, according to its social policies--for example, medicines, milk for children, and textbooks.

According to this policy, on the basis of controlling commodities and the market and implementing state monopoly on tradehand uniform state management, the central government sets uniform prices for the essential consumer goods; the central government also sets up a table of prices [giaas khung] for certain types of commodities--with appropriate differentiations in prices according to regions, especially for grain and foodstuffs--and for some types of materials and commodities that require long transportation distances and high transportation fees.

The retail prices for industrial goods, used in computing base pay must be uniform nationwide. The computation of the prices of some products, grains, and foodstuffs--such as rice and meat--is based on the region with the lowest prices, and the production and circulation expenses according to the new price system. Discrepancies between the retail prices of grains and foodstuffs in other regions that are higher than the prices used in computing base pay are covered by cost of living allowances, which are allocated according to regions.

The levels of actual prices and regional price discrepancies must be strictly computed on the basis of the values of the commodities, with market prices taken into consideration--but not the present market prices, which are very chaotic and which, for many types of commodity, are abnormal, and controlled by speculative activities. In order to restrict the complex impact due to possible price fluctuations, and in order to implement planning and economic accounting, it is necessary to stabilize retail prices--for wage computation--for a specific period, and with uniform regulations to be applied across the country. When changes are deemed necessary, the state will take the initiative in computing, and readjusting, prices and wages to bring them into conformity with the new situation.

The implementation of the retail price policy and mechanism, as noted above, requires a balanced computation for commodity funds and monetary funds for each locality and area. We must not subject the workers' and civil servants' incomes to market fluctuations. We must transform, and strictly manage, the free market; abolish speculations and smuggling; tighten state discipline on

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finance and prices with regard to all socialist business organizations, notably, the state-run trade and marketing cooperatives; and sternly punish all illegal price hikes.

D. Determine the purchase prices of agricultural products on the basis of the recomputed production costs to ensure that the producer can cover all the expenses and realize a rational profit.

In order to fully compute production costs for agricultural products, the expenses for the main materials in agricultural production, supplied by the state, are calculated according to the new prices that have been stabilized for each period. The prices of the materials the peasants secure themselves--not state-supplied commodities siphoned off to the outside--are calculated according to actual prices. To achieve rational, and relatively stabilized, production costs for agricultural products, we must concentrate on supplying industrial goods--the primary means of production--to the peasants through economic contracts. We must end the present situation in which the state can ensure only 40-50 percent of the materials for peasant production; the rest they must buy on the market--with the important part still being the commodities under uniform state management, such as fuel and fertilizers, siphoned off.

Labor wages in the production costs for agricultural products depend on the value of a man-day, calculated on the basis of man-days spent for a hectare, and on the productivity and volume of production for a hectare. Subtracting material waste and taxes, peasant incomes--including that derived from the family economy--should be determined in a way corresponding with that of the state farm worker, and calculated according to regions. The man-day value also depends, a large extent, on the state retail prices of industrial consumer goods.

With regard to those areas with unfavorable natural conditions--in terms of soil and climate--poor material-technical bases, and many livelihood difficulties, the state should adopt a higher purchase pricing policy, applied along with investment or price-subsidized policies.

In those regions with favorable natural conditions, it is necessary to adopt a policy of collecting most of the land rent differentials and remitting it to the state through pricing and tax policies.

The purchase prices of agricultural products must be aimed at encouraging the production of essential products in areas which the state has planned to turn into specialized cultivation areas and at encouraging production in the new economic zones and the practice of intensive cultivation and multicropping--with special attention given to those areas specializing in rice growing.

Therefore, it is necessary to immediately implement the uniform state management and monopoly in the trade of grain and major agricultural products through the application of rational pricing policies and purchasing procedures and to implement the uniform single purchase price mechanism--with regional differences in prices adjusted for each crop. On the basis of an agreement between the

state and the peasants, and through economic contracts, the state controls the bulk of grain and commodities--after leaving an essential part for the peasants--and most of the other essential agricultural products and commodities.

E. Under conditions of definitively shifting to the new economic management system, using planning work as the center, and fully applying the socialist system of economic accounting and business transactions, system formulation and price management must be the structure of the general economic system.

We must implement the policy of single-pricing system under which prices are fixed by the state on the basis of mastering the plan for the production and distribution of important staple products and of reforming, managing, and controlling and merchandise and currency market. We must achieve labor distribution, decentralization, and price management among state, central, and local organs.

The prices of important supplies, the purchase prices of essential agricultural, forestry, and marine products, the selling prices of essential consumer goods must be fixed by the central government and unified in the entire country, with differentiation among the various regions. Regarding other goods, the central government must establish a table of maximum prices so that localities can use it in conformity with their specific situation. Regarding a number of goods made of local raw materials and put into circulation mainly in the local market, their prices may be fixed by the local administration.

After computing production costs, fixing a new pricing system, and achieving rational labor distribution and decentralization, we must strictly implement discipline in prices. Any pricing change must be made in compliance with state laws.

2. Wages

Wages must ensure the regeneration of labor of wage earners and the support of their families. This requirement must be gradually met under the current conditions of the state's available goods and financial resources. However, in the initial stage, the actual wages of workers, civil employees, and members of the armed forces must be readjusted to suit the present situation.

When expenses for food cover 65-70 percent of the wages, minimum wages must ensure the supply of at least 2,000 calories per day for a laborer. In view of the requirements affirmed above, it is necessary to establish another table of minimum wages based on the new schedule of prices and used as a basis for establishing a national unified basic wage system.

In the current situation, it is necessary to maintain a rational difference between wage scales or tables on the one hand and the rates of the average and highest wages--which are respectively 1/3 and 3.5 times over the minimum wages--on the other; abolish the current very low supply prices; and redetermine nominal wages based on the new retail prices and the wages paid in cash.

The basic wages for each profession, sector, grade, and job must be unified nationwide and determined on the basis of the state-prescribed prices of goods

in areas enjoying the lowest cost-of-living. Apart from basic wages, there must be some allowances. This includes regional allowances determined by the central government for regions encountering difficulties, mountainous and border areas, and offshore islands which need more laborers, and unified cost-of-living allowances determined by the central government for each region, depending on the difference between the rate of basic wages and the state-prescribed rate for each region and on each trimester's living index.

Basic wages, regional allowances, cost-of-living allowances, and other allowances determined by the system must be computed into the wage fund and production costs. The condition for ensuring effective implementation of the new wage system consists in securing adequate goods and cash funds, while the state controls the market and prices and the socialist trade service properly organizes the circulation of goods and gradually stabilizes the purchasing power of money.

3. Finance and Currency

A. Wage adjustment exerts a great impact on and makes the finance and state budget reflect correctly and more faithfully the effectiveness of our social production economy, which covers production, distribution, and circulation. This is a very good foundation from which to advance and build a national financial policy suitable to the current stage of development of the national economy.

B. We must adjust prices and wages in accordance with the trend of abolishing subsidization and of definitively shifting to the socialist system of economic accounting and business transactions on the basis of determining and implementing the system of financial autonomy of enterprises. Prices, wages, finance, and credit would then better develop their functions as a yardstick of effectiveness and a lever to stimulate the grassroots installations to develop production, expand trade activities, and conduct business with economic results.

We must transfer the greater part of investments and all liquid assets to the credit form. Any investment must bring about the necessary economic results. After adjusting state-prescribed prices, the enterprises must recalculate production costs and profits to ensure they correctly reflect the results of production and trade activities.

The state will compensate for the losses resulting from policy implementation. In those cases involving losses resulting from poor management and from doing business at all costs, it is necessary to find measures to rearrange production and adjust managerial work in order to increase productivity, lower manufacturing costs, reduce losses, and secure profits. Otherwise, these enterprises must change their production trend, turn into cooperatives or dissolve themselves.

C. The adjustment of prices and wages for this time will have a great impact on the relationship between the central and local budgets. The source of receipts of the local budgets will diminish because the great difference between the prices of state-supplied materials and the commercial and business prices in localities will no longer exist.

When expenditures, such as expenditures for wages, need to be increased, the state should reexamine the proportion of adjustment of the local budget to meet the need for necessary expenditures in accordance with the spirit of strict economization.

The decentralization system regarding the management of central and local budgets must be implemented according to the concept of mastery by three levels to ensure the unanimity of the social, collective, and individual interests; and create conditions for localities to try their utmost to exploit all local potentials in order to increase their income and satisfy their needs. There will be no subsidies from the central government for localities.

D. We must uniformly apply all kinds of measures to attract idle money, speed up the turnover of money, and grasp and control the amount of money in circulation.

The resolution of the Eighth Party Plenum on prices, wages, and money is a recapitulation of experiences gained by our party and state in this sphere over the past several years. It shows a strong and profound change in our party's line and policy regarding not only prices and wages but also trade, finance, currency, and the planning and management system with the aim of entirely abolishing bureaucratism and subsidization, definitively shifting to socialist economic accounting and business transactions, and creating favorable conditions for our national economy to develop further.

CSO: 4209/12

ECONOMIC PLANNING, TRADE, AND FINANCE

BINH TRI THIEN MEETS ON PRICE, WAGES POLICIES

BK041359 Hanoi Domestic Service in Vietnamese 0500 GMT 4 Oct 85

[Text] The Binh Tri Thien Provincial Party Committee has recently held a meeting to discuss measures to implement the party Central Committee Eighth-Plenum's Resolution and the party Central Committee Political Bureau's Resolution No 28 on prices and wages. The meeting stressed the very important task at present to firmly stabilize prices, satisfactorily manage the market, and accelerate production.

The meeting urged the authorities concerned to punish traders and units that arbitrarily increased prices of goods and to strictly deal with illegal traders, speculators, hoarders, smugglers, and degenerates. It urged that the province strengthen supervision over various echelons to [word indistinct] expand the [word indistinct] trade network in order to control [word indistinct] and money; strive to control the market, especially in monopolizing the management of grain and essential goods and materials. The Provincial Party Committee must firmly stabilize the market prices daily, promptly inform and supervise various sectors to directly struggle to reduce prices in the market, ensure realistic wages for workers and civil servants, gradually include wages into the production cost, thereby creating favorable conditions for various grassroots production establishments to implement the socialist economic accounting and business. The province must supervise various enterprises, state farms, establishments, and cooperatives to improve their production orientation, rearrange goods, crops, and animal breeding patterns, reorganize production, improve further the management task, resolutely reduce unnecessary subordinate organs, stop irrational expenses on production and transportation, liberally apply scientific and technological advances, fulfill all economic, technical, and labor norms, and economically use materials and fuel in order to reduce the production cost, while helping enterprises and cooperatives operating at a loss to gain profit through the production of new goods.

Along with satisfactorily implementing the policy on prices, wages, and money, the Binh Tri Thien Party Committee must supervise districts and Hue City to concentrate their efforts on accelerating grain production, developing consumer and export goods, promptly and satisfactorily harvesting the summer-fall rice, and positively preparing land for the 1985-86 winter-spring crop.

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ECONOMIC PLANNING, TRADE, AND FINANCE

EXPORTS OF NAM NINH DISTRICT DESCRIBED

Nam Dinh HA NAM NINH in Vietnamese 25 Jun 85 p 3

[Article by Phan Dinh and Nguyen Ngoc Duong: "Nam Ninh Produces export Goods, Develops Its Two Strengths"]

[Text] The Products of the Handicraftsmen

Nam Ninh has a rather large force of handicraftsmen, many traditional crafts and a wide variety of production tools. These constitute the first strength of Nam Ninh, a strength which, over the long range, it is difficult for any other district to match. In 1984, the value of the total output of the district's small industry and handicraft sector reached 216 million dong. As a result of giving attention to the development of exports, exported goods accounted for 25.6 percent of this output for the first time in many years. In terms of value, handicraftsmen produced more than 50 million dong worth of export goods in 1984.

Export goods are produced by handicraftsmen in rather large quantities: 2.138 million meters of exported coarse cloth, 276,000 exported bath towels, 65,000 square meters of exported mats, 8,000 square meters of rush rugs, nearly 10,000 square meters of jute rugs, 6,799 square meters of lace goods, 1,989 square meters of colored embroidered goods, tens of thousands of square meters of gunny sacks...

Nam Ninh has been quick to establish a centralized textile area consisting of dozens of basic units. Previously, textile units generally produced only domestic goods, such as unbleached muslin, cotton cloth, mosquito netting and satin. Following the adoption of the province's policy, the district strongly shifted its efforts to the production of export goods. Whereas it once produced roughly 10,000 tons of coarse cloth for exportation each year, the handicraft sector, having focused its efforts on making improvements to looms and equipping with additional frames, has increased the output of exported coarse cloth to more than 2 million meters.

There are also trades that were once only practiced at one place, such as the lace trade in Trung Lao. Today, Nam Ninh District has trained thousands of skilled knitters and expanded this trade to dozens of villages.

However, in the opinion of the district industrial committee, the figure of 50 million dong in exports for the handicraft sector is not high. The potentials that lie in labor and the various trades have yet to be developed well. Handicraftsmen are willing to work as hard as they can to resolve the problems being encountered in their everyday lives and contribute to export activities. However, their work is frequently interrupted for a variety of reasons: low wages, slow payment, the irregular supply of raw materials... The distribution of net profits is not rational.

Agricultural Products--the Second Strength

Second in importance to the output value of the handicraft sector are the many agricultural products that Nam Ninh's agriculture has been contributing for exportation. In 1984, Nam Ninh exported 545 tons of peanuts (which included 265 tons outside its plan), 50 tons of jute stalks, 10,000 square meters of rush rugs, 68,000 meters of jute rugs and woven mats, 110 tons of potatoes, 1.7 tons of dried pimento and 37,000 trumpet flowers (worth nearly one-half million dong). The total value of the exports contributed by farmers has risen to nearly 20 million dong. To achieve this high figure, the Nam Ninh District Party Committee and People's Committee have concentrated on guiding each aspect of production and taken many specific measures. The district has received assistance from the Ministry of Agriculture in improving the soil used to raise peanuts and assistance with new techniques in the intensive cultivation of export crops. The district has given priority in the supplying of capital, seed, fertilizer and insecticide to the areas that raise export crops.

In addition to expanding the cultivation of traditional, specialized crops that are of high export value, Nam Ninh assigned the Export Goods Procurement Corporation the task of organizing the planting and thorough development of new products within the locality. Exported lotus seed is a product that was once not produced in Nam Ninh. For the past 2 years, the district has been investigating and classifying a number of ponds and lakes for the cultivation of lotus plants. Nam My Village has 5 mau of marshy ponds, which were formerly being used to raise fish, that were selected as the site of a pilot project in the cultivation of lotus plants. The very first crop of lotus plants produced returns five times higher than pisciculture. On the basis of this successful trial on 5 mau, Nam Ninh expanded the cultivation of lotus plants to 90 mau. In 1985, Nam Ninh projects that it will export 20 tons of lotus seed worth 6 million dong.

Also as a result of a basic investigation, Nam Ninh has planted tens of thousands of longan trees in groves within the villages of Nam Thang, Nam Thinh... In previous years, hundreds of tons of longan fruit left the district and were marketed by all sorts of ways at other places. This year, the Export Goods Procurement Corporation invited technical cadres from a neighboring district to instruct farmers in how to grade fruit and in the techniques of processing dried longan. The corporation announced procurement prices early and calculated the exact income to be earned from processing so that farmers would not sell longan of good quality on the market. It signed contracts with each village and established a rational distribution of profits, one that encourages villages to raise much longan for exportation.

In 1985, for the first time in many years, Nam Ninh has signed contracts for the harvesting of 10 tons of longan worth 10 million dong. In the years ahead, the cultivation of pimento, jute, golden sesame and lotus seed will be further expanded in order to establish plentiful sources of exported agricultural products.

The above mentioned two strengths of Nam Ninh are being developed by the district. Although the initial returns are still small, Nam Ninh remains determined to provide the necessary guidance and take the initiative in developing the production of export crops, thereby placing itself in a good position in the years ahead.

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ECONOMIC PLANNING, TRADE, AND FINANCE

WAGES, POLICIES IMPEDE LACE EXPORTS OF HA NAM NINH PROVINCE

Nam Dinh HA NAM NINH in Vietnamese 2 Jul 85 p 3

[Article by Van Yem: "The Exported Embroider and Lace Goods Trade in Our Province"]

[Text] Prior to 1983, the exported embroider and lace goods trade of our province was hastily developed in breadth and achieved a high output but it also fell into a perilous situation deserving of concern. Product quality declined and customers declined to renew contracts. The requirement we faced was this: the embroider and lace goods of Ha Nam Ninh had to quickly regain their prestige on the international market. This requirement was met, to some extent, in 1984. The province exported 20,000 sets of embroider goods and more than 6,000 square meters of lace, not one lot of which was returned or had to be reprocessed.

In 1985, our province's production of exported embroider and lace goods has continued to be strengthened and developed. As of the end of May, our province had exported 1,936 square meters of lace and 9,325 sets of embroider goods (the exportation of embroider goods more than doubled compared to the same period of time last year and amounted to 46.6 percent of the target for the entire year). The embroider and lace goods of Ha Nam Ninh meet quality standards and include a number of rather unique and interesting products. Of the embroider and lace goods patterns sent by the general corporation to various countries in 1985, five embroider goods patterns developed by the province have been given first priority in production. The farm scene, rose, chrysanthemum, winnow star group and turban star group patterns are liked very much by customers in other countries. However, the most striking advances made in the production and business of the exported embroider and lace goods trade this year have been the implementation of a well coordinated plan and the control that has been established over the rate of production.

A Step Forward in the Management of the Plan

During practically every end of the year review of production, the representatives from the basic units have raised the need for a well coordinated supply of raw materials that is evenly spread out over the four quarters of the year so that they need not wait for raw materials. However, it was precisely this that was the difficulty faced by the Ha Nam Ninh

Exported Embroider Goods Enterprise because it depended upon the general corporation and the outside market for its raw materials. In previous years, raw materials for embroider and lace goods were only supplied in the 3rd and 4th quarters and then all at once. Therefore, very few embroider and lace goods were produced during the first months of the year. However, this situation was corrected at the start of this year. Raw materials arrived at basic production units at the end of last year. And, by that time, the Ha Nam Ninh Exported Embroider and Lace Goods Enterprise had assembled about 80 percent of the raw materials needed for the entire year. During the 2nd quarter of 1984, 10 new product patterns developed by the province were displayed at the Giang Vo Trade Show in Hanoi. When commercial affairs representatives of other countries agreed to buy five of these patterns, the director of the enterprise, seizing this opportunity, contacted the general corporation and asked to produce these five patterns. Contracts for the production of exported embroider and lace goods were quickly signed. Shipments of raw materials from the general corporation arrived in the province during the final days of 1984. Next, secondary materials, such as fringe, bags and packing paper, also arrived from Haiphong, Hai Hung and Thai Binh. At the same time that the enterprise assigned production tasks for 1985 to the cooperatives, it delivered to cooperatives a relatively well coordinated supply of raw materials. As a result, some basic units, such as the Thanh Ha Cooperative, officially began their 1985 plans for the production of embroider and lace goods in December, 1984.

The new feature at the Exported Embroider and Lace Enterprise is the "three earlies": signing production and business contracts early, assembling and delivering a well coordinated supply of raw materials early and stabilizing production early. As a result, during the 1st quarter of this year, all basic units met and exceeded their plan targets.

Strengthening the Organization, Improving Management

The Ha Nam Ninh Embroider and Lace Goods Enterprise began 1985 endeavoring to complete a larger production and business task than last year's while continuing to strengthen its organization and improve its management. Since the start of the year, the enterprise has been assisting basic units in performing two jobs: reorganizing the various embroider and lace units and implementing a good distribution policy.

To reorganize the embroider and lace units, it has first of all been necessary to select cadres to take charge of these units who possess good personal qualities and skills. The requirement concerning distribution is that it provide incentive for laborers and embroiders to earn an income that is no less than the income earned in the other trades within the cooperative. As a result of performing these two jobs well, the basic units at which production had declined, such as the Hoa Binh Cooperative in Binh Luc District and the Van Lam Cooperative in Hoa Lu District, have restored effective operations. To strengthen the technical and professional forces and help basic units improve the quality of their products, the enterprise has, through contracts, boldly made use of skilled embroiders outside its own organization. It has established regular payment procedures, paying basic units once or twice each month.

The Limitations to Further Progress

Compared to a number of other products, the value of exported embroider goods is not high.

Only a small amount of the potential that lies in the labor of this trade has been developed. At one time, counting only primary labor, our province had more than 20,000 embroider and lace workers. In some years, our province exported as many as 60,000 to 70,000 sets of embroider goods. The current force of lace workers numbers 3,000 but only a portion of its capacity is being utilized. Why is this? We are currently in the stage of improving the quality of exported embroider and lace goods and cannot rush to expand their production. However, the second important reason is the prices and policies that apply to producers, especially to laborers who make lace goods. The pay for making 1 square meter of lace is 1.5 times higher in Hanoi and Haiphong than in Ha Nam Ninh. The pay is low, no goods are available to sell as an incentive and, in addition, there is a shortage of cash with which to make payment. As a result, the rate of production of lace goods has slowed. Under its 1985 plan, the province must export 10,000 square meters. However, as of the end of May, it had only delivered less than 2,000 square meters. Meanwhile, more than a few of our craftsmen are making goods for other provinces.

Lace goods are export products. The lace trade does not require costly investments in tools and earns rather large amounts of foreign currency. To achieve a large product output, it is necessary to adopt policies that provide appropriate incentive, such as adjusting wages in a suitable manner, setting aside a portion of the foreign currency earned to import raw materials for expanded reproduction. By taking these steps, the embroider and lace goods trades--especially the exported lace goods trade in our province--will surely not remain at the present level of development.

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ECONOMIC PLANNING, TRADE, AND FINANCE

EDITORIAL CALLS FOR STRONGER SOCIALIST COMMERCE, LIMITS ON PRIVATE BUSINESS

Hanoi NHAN DAN in Vietnamese 13 Aug 85 pp 1, 4

[Editorial: "Implementing the Resolution of the 8th Plenum of the 5th Party Central Committee: Organizing the Social Market Well"]

[Text] The purposes of organizing the social market well are to expand the circulation of commodities in an organized and orderly manner, stimulate the development of production and support the everyday lives of the people well. Under the light of the resolution of the 8th Plenum of the 5th Party Central Committee, many localities have begun to readjust and reorganize the social market within their areas, which consists of state-operated commerce, the marketing cooperatives, the joint businesses between the state and large and medium-size private businesses, the network of agents and "free" merchants, among which the central, dominant force is socialist commerce.

As a result, the management of the market has been strengthened and order has begun to be restored to business. The business activities of economic organizations, administrative organizations, social organizations and so forth that have no business function have greatly declined. The coordination among forces that have a business function is closer and the division of labor among them is better. Inspection and control of the market are gradually being put on a regular basis, thus significantly reducing price gouging and competition in procurements and sales, especially in areas along the boundaries of precincts, districts and provinces. At many places, markets have become real markets, that is, their counters and stands have been rebuilt and are now attractive and clean, the forces participating in trade have been arranged within the market in a sensible, orderly and convenient manner and the conditions have been created for socialist commerce to grow and dominate the market. At more than a few places, stores have become real stores, that is, are neat, attractive, clean and convenient to shoppers. Store personnel are pleasant and courteous. Many of the products being sold are suited to the tastes and pocketbooks of shoppers and are fairly priced.

The initial advances mentioned above must be developed upon. Only by organizing the social market well is it possible to lay the base for managing and transforming the market well, which is the central aspect of the distribution-circulation front and is one of the leading elements in the struggle to resolve the question of "who triumphs over whom" on the economic

front, of the campaign to dismantle bureaucratic centralism and subsidization and shift entirely to economic accounting and socialist business practices. At present, however, the social market is not, generally speaking, well organized. There is still much disorder and more than a few negative phenomena. In some municipalities, cities and towns, far too many persons are working as free merchants, especially in the food services business. Many agencies, enterprises and mass organizations that do not have a business function are still setting up a counter or opening a store, not paying taxes, competing in procurements and sales and selling goods at a profit for the so called purpose of "improving" the standard of living of manual workers and civil servants. If all of these types of disorder are not promptly corrected, are not promptly reorganized and rearranged along rational lines, they will not only pose difficulties to the management of the market and prices, but also cause urban areas to lose their beauty and civilized character. At some places, while markets are now more spacious and attractive, a person cannot tell which counters are operated by state-operated commerce, which by marketing cooperatives and which by private businessmen. At some markets the counters of socialist commerce are located deep within the market and surrounded on the outside by a row of private stands. With such an arrangement, socialist commerce lacks good business conditions and finds it difficult to extend itself outward to control goods, control the flow of money and struggle to stabilize prices and control the market. Because the transformation and management of the market have not been carried out well, the portion of the market controlled by the organized market has increased slowly and the unorganized market has continued to control an important portion of the products of small industry and the handicraft trades as well as agricultural products, forest products and marine products and the majority of the public food and services market. Merchants who are unlicensed and evading taxes are still slipping through cracks. Speculators and black marketers are still able to market products. Large numbers of consumers are still not satisfied with or confident in the support provided by socialist commerce. To some extent, the lack of order on the market has been and is having a negative impact upon production and the standard of living, upon the real wage of wage earners, thereby creating financial and monetary difficulties and difficulties in carrying out development in accordance with the plan of the national economy and adversely affecting order and security in society.

To organize the social market well, it is first of all necessary to attach importance to structuring the market in a way that rationally combines the forces of state-operated commerce, marketing cooperatives, joint businesses between the state and private businessmen in commerce and small merchants. This structure must reflect the guidelines of strongly developing state-operated commerce and the marketing cooperatives, gradually placing limits upon other business organizations, making effective use of small merchants as agents and gradually shifting the remaining small merchants to production. We cannot continue to allow city sidewalks, streets, houses, work places and places where cultural activities are held to be used as places where disorderly trade is conducted nor can we continue, in the rural markets, to confuse small merchants with producers who put surplus products on sale. On the social market, each business organization that is permitted to do business by the state must be assigned to a product sector, be assigned an area within which to do business and must provide its service and do business under the

direction, management and control of the functional agencies of the state. There must be coordination and direct relations between localities and business units that trade with one another, especially in commodity production centers, and this trade must be centralized within one entity on the provincial or municipal level, thereby putting an end to trade that is conducted outside the market and competition in procurements and sales, which create disorder on the market.

The market is a unified entity. Guiding and organizing the social market well are the important, pressing task of the various party committee echelons and levels of administration, a task that must be carried out with the active participation of the working people exercising collective ownership. The revolutionary campaign to dismantle bureaucratic centralism and subsidization and shift entirely to economic accounting and socialist business practices that is being carried out in keeping with the spirit of the resolution of the 8th Plenum is closely linked to intensifying our efforts to transform, manage and control the market, closely linked to strengthening the proletarian dictatorship, promptly punishing speculators, black marketers, degenerate and deviant elements and being vigilant against while taking determined steps to combat enemy sabotage. This is also an issue that is of decisive significance in increasing the strength of socialist commerce, thereby making a direct contribution to stimulating the development of production and serving everyday needs.

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ECONOMIC PLANNING, TRADE, AND FINANCE

HIGHER STATE PRICES, POOR QUALITY CAUSE SLUGGISH RETAIL SALES IN NGHIA BINH

Hanoi NHAN DAN in Vietnamese 13 Aug 85 p 2

[Investigative Report by Hoai Nam: "Some Experiences of Nghia Binh Province in Organizing and Managing the Market"]

[Text] Organizing Retail Sales Well, Gaining Control Over the Market

To maintain the standard of living of manual workers and civil servants, the state must control goods and money and socialist commerce must gain control over the market, improve the way that retail sales are organized, serve consumers better and combat everything that reflects favoritism and authoritarianism as well as all practices that pose an inconvenience to consumers. Most deserving of attention is the need to expand the retail sales network to directly serve consumers. In An Nhon District, socialist commerce now accounts for more than 80 percent of the retail market and the prices of grain and food products have remained virtually unchanged. In Tuy Phuoc District during the first days of paying wages in money, because the sale of rice has not been well organized, rice prices have soared even though this district had a bumper winter-spring rice crop. In late July, Quy Nhon City removed all private merchants from the rice trade but because the retail network was not promptly expanded and the level III grain corporation was unable to "cope" with the resulting situation, there were times when rice prices increased artificially. The experience of a number of places within the province is that using marketing cooperatives, or small rice merchants who have the trust of the people, as rice sales agents for the grain corporation and having them sell rice at a commission directly to the households on the block is a good way to expand the retail grain sales network.

The quality of products is a matter of foremost concern. Because some grain stores have been selling rice of poor quality, rice that is moldy, broken and contains much paddy, manual workers and civil servants, instead of buying their rice at these stores, have been going to the countryside to buy rice of good quality from farmers at equivalent prices. In July, the grain stores in Quy Nhon only sold to manual workers and civil servants 65 percent of the quantity of rice supplied on the basis of grain ration books. Rather than being something good, this is actually a matter deserving of concern.

Because, if the state cannot sell rice, it cannot control money. The wages of manual workers and civil servants flow onto the free market and market prices are affected.

A resolution of the provincial party committee set the end of August, 1985 as the target date by which socialist commerce must control 80 percent of the retail market. The commerce sector has tried to open many additional sales points. On the average, each village and subward has four stores and counters and there is one sales point for slightly more than every 2,200 citizens. However, in view of the fact that there are more than 32,000 private merchants, each of whom is a sales point (on the average, there are 130 to 140 sales points operated by private merchants in each village and subward and one private merchant for every 70,000 citizens), socialist commerce, which now has slightly more than 1,000 sales points, must make even greater efforts if it is to control 80 percent of the retail market.

What Is the Correct Way To Sell Goods Retail?

One situation that has developed is this: when the price of any product sold by the state is roughly equal to or the same as the price on the free market, manual workers and civil servants do not buy this product from a state store, rather, they buy it on the free market. Why is this? The products sold by the state are not of high quality. For example, not only is the rice purchased at state stores of poor quality, but consumers must also go to a great deal of inconvenience to buy it, such as travelling long distances and waiting in line for long periods of time (because consumers are now paying much more money and cashiers are counting the money they pay very slowly). There are also some products, such as pork, which manual workers and civil servants are buying in smaller quantities than when ration stamps and coupons were still in use. Instead, they are buying fish, which is cheaper. As a result, the state stores in Quy Nhon only sell one-sixth of the pork they once did. In An Nhon District, as a result of controlling 80 percent of the retail market and as a result of state-operated commerce serving consumers well (by delivering rice for sale to each household), prices are stable (free market prices are slightly higher than the directed retail prices of the district and lower than the prices at many other places in the province).

In view of this experience, many comrades maintain that the retail prices of socialist commerce must be lower than free market prices and reasonable compared to free market prices. When prices on the free market suddenly rise in an artificial manner (due to the impact of psychological factors or enemy sabotage), socialist commerce must remain calm, gain an understanding of the situation, correctly determine the reasons for these price increases and be determined not to raise prices to keep pace with the free market. Rather, it must promptly expand its network and organize sales in a way that serve consumers well, as a result of which prices will immediately fall (as was recently the case with rice prices). If prices are unreasonable (either equal to or higher than free market prices), manual workers and civil servants will not spend their wages to buy essential goods at state stores, but will buy them on the free market. And, as a result, the state will be unable to control money and will not have all the money it needs to procure products, control sources of goods and pay wages to manual workers and civil servants.

Then, private merchants have money in their hands to buy up essential goods in order to speculate, hoard, raise prices and undermine prices. Thoroughly understanding the law of value and the relationship between supply and demand, setting reasonable retail prices in a timely manner and being sensitive to changes on the free market in conjunction with expanding the retail sales network and providing good, direct service to consumers are one of the important factors in helping to insure that prices and the market are stable. Recently, in July, as a result of setting the retail prices of some industrial goods very slowly, the sales of state-operated commerce were low (30 percent of the quota assigned by the province), thus affecting production and the standard of living. If socialist commerce is not strengthened and if a correct price policy is not adopted in conjunction with expanding the retail network, gaining control over the majority of the retail market while carrying out the transformation of private merchants well and reorganizing, restructuring and tightly managing the market, it is impossible to restore the new order on the distribution and circulation front. The problem in Nghia Binh is that the transformation of private merchants is being carried out somewhat slowly and the quality of service provided by joint businesses has declined at a time when socialist commerce is not strong enough to control the market.

The Problems That Must Be Resolved

From the realities of the situation in Nghia Binh, several problems have arisen that must be promptly resolved.

First, the amount of money being spent is large but incoming revenues are very small. This very large cash deficit has caused immeasurable harm to production, distribution-circulation and the standard of living. If the stagnant sales of a number of products of some distribution-circulation sectors, especially of some state-operated commerce units, are not corrected, very many difficulties will be encountered in the effort to control goods and money in order to control the market.

Secondly, the stagnation in circulation is threatening production, beginning with the production of hogs.

In 1984, the size of the hog herd in Nghia Binh increased rapidly and met the plan target on the number of hogs being raised per ton of grain produced. A rather large amount of the pork procured was left over after meeting the province's consumer needs (under the ration stamp and coupon policy). Now that wages are being paid in money and manual workers and civil servants are not buying as much pork as they did when ration stamps and coupons were still in use, the pork surplus is even larger. Meanwhile, pork sales outside the province are stagnant. The hogs being held in pens are screaming to be fed and their weight is steadily decreasing but they still cannot be marketed. Many districts are complaining about the fact that the level III corporation is procuring hogs, holding them in pens and finding every kilogram of bran needed to feed hogs, but the level II corporations will not buy hogs and also will not permit the districts to sell their hogs outside the province. By whom are these losses being borne? Compared to the price of bran, the stipulated price of pork, live weight, is still low, so, it is the hog

producer who is incurring these losses. Raising hogs is no different than "throwing money down a hole"(no profit, no turnover of money). However, were the price of pork to be raised to a level commensurate with the price of feed, pork could still not be marketed within the province. Were the price of feed to be reduced (and not correspond to the price of feed ingredients), the province would have to compensate for losses. The pressing problem that faces Nghia Binh today is to buy from producers all of the hogs that have reached market weight. If the province, most immediately state-operated commerce, does not take measures to establish economic ties and sell pork outside the province and if producers incur losses, the hog herd will soon be in danger of declining.

The manual workers and civil servants of Nghia Binh welcome the resolution of the 8th Plenum and are enthusiastically making preparations to implement the new management system. However, this demands that the business capabilities and spirit of service of socialist commerce be improved to keep pace with the requirements of its task. Only by gaining control over goods and money and improving its methods of business and service can it control the market and stabilize the standard of living of the worker.

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CSO: 4209/659

LIGHT INDUSTRY

ARTICLE SURVEYS GROWTH, PROBLEMS OF TEXTILE INDUSTRY

Hanoi NHAN DAN in Vietnamese 13 Aug 85 p 3

[Article by Bui Van Long, general director of the Federation of Textile Enterprises, the Ministry of Light Industry: "The Textile Industry: 40 Years of Achievements"]

[Text] Our country has a traditional handicraft textile trade and our people have been raising cotton and weaving cloth, practicing sericulture and weaving silk for generations. During the nearly 1 century that they ruled our country, the French colonialists built only one textile mill, the Nam Dinh Textile Mill, the highest annual output of which was only 20 million square meters of cloth and 9,000 tons of thread. Not long after they won political power, our people had to embark on the war of resistance against France. During that period, within the free zone, our party and state adopted the policy of developing many small textile units utilizing hand-operated equipment and launching a movement to plant mulberry trees, raise silkworms and weave silk, to plant cotton and weave cloth in order to resolve the clothing problem of our armed forces and people in a spirit of self-reliance and self-sufficiency.

After 1954, when the North was completely liberated, the working class, including the workers at the Nam Dinh Textile Mill, waged a determined struggle to keep their machinery and factories intact in order to restore and expand production within a short period of time and raise the output of cloth from 20 million to more than 50 million meters per year. Together with building material bases and carrying out socialist industrialization, the party and state attached importance to investing in the development of the textile industry in order to meet a portion of domestic clothing needs and create a source of exports. During those years, the textile industry built many mills, such as the 8 March Textile Mill, the Dong Xuan Knitting Mill, the Cong Nghiep Cloth Mill, the Ha Dong Wool Thread Mill, the Thai Binh Jute Mill, the Vinh Phu Textile Mill and so forth. It restored and retooled the Nam Dinh Textile Mill, the Nam Dinh Silk Mill and the Haiphong Wool Mill. It built a machine works to manufacture spare parts for the industry. In 1954, the North had only two textile mills. Within several years, it had increased this number to 12 large and medium size mills. The textile industry also developed strongly in the localities, especially in Hanoi and Nam Dinh. In the process, the local state-operated textile sector developed from virtually

nothing to dozens of mills, thus becoming a significant force. In Hanoi, the 19 May Textile Mill, the Minh Khai Face Cloth Mill and the 10 October Knitting Mill were constructed. In Ha Nam Ninh Province, the Dan Sinh Textile Enterprise and the Thang Loi Knitting Enterprise were built. In addition, the development of the traditional, handicraft weaving trade was encouraged within families and cooperatives and the people were encouraged to plant mulberry trees and raise silkworms, plant jute, plant cotton, pre-process ramie and so forth, thereby establishing areas producing domestic raw materials to support the textile industry.

During the period that the North spent resisting the war of destruction of the U.S. pirates, the cadres and workers of the textile industry remained at their equipment night and day, carried out production while fighting the enemy and transporting tens of thousands of tons of equipment to secure areas, thereby maintaining production. When the South was liberated and the country was completely reunified, the textile industry rapidly restored and expanded its mills and increased its rate of development of production 169 percent in 1975 compared to 1965. It took over intact the management of 13 textile mills equipped with tens of thousands of machines of various types, more than 500 thread spool machines and thousands of pieces of auxiliary equipment. With this, the textile industry began producing many more high grade products, such as synthetic fiber goods of high quality, and began producing many products for exportation. However, shortly thereafter, the entire industry encountered difficulties with raw materials and equipment because, after liberation day, stockpiles no longer existed; therefore, the output of cloth and thread declined during the years from 1973 to 1981.

In the face of this situation, the party and state directed the textile industry to make more than 400,000 new thread spools to supplement the Dong Nam Thread Mill and the Thang Loi Textile Mill and constructed one new thread spool factory and put one back into operation in Nha Trang and Hanoi, thereby raising thread output by more than 20,000 tons per year and establishing a state of balance within the textile industry throughout the country. Two thread mills in Vinh and Hue are also being constructed. The country's thread output has risen from 106,000 spools of thread, some 9,000 tons, to its present level of 1.1 million spools of thread, more than 80,000 tons, per year. Cloth output has increased from several tens of millions of meters per year to more than 400 million meters today. The products of the textile industry have developed from not one being exported to many different products being exported today, products that are liked by many countries. Exports account for nearly 30 percent of the total value of the industry's output. Its corps of manual workers has constantly grown, from 14,400 workers in 1945 to more than 90,000 today, practically all of whom are educated and technically skilled. In its early days, the industry had only two textile engineers. Today, it has thousands of engineers and many persons who hold an M.S. or Ph.D. degree.

In keeping with the resolutions of the party, the textile industry is taking positive steps to improve its management and restructure its production. It is displaying a high spirit of self-reliance, taking the initiative instead of being passive and resolving its difficulties, determined to dismantle the bureaucracy and subsidization that have impeded production. On its own, the

textile industry has begun to create sources of capital, by means of export-import joint businesses and economic ties, a portion of which is used to repay foreign currency loans and the remainder of which is being used to meet production needs, restore equipment and overcome difficulties with living conditions. The entire industry is emulating to complete its task under the 1985 plan well and prepare for new stages of development during the years from 1986 to 1990.

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24 October 1985

BIOGRAPHIC

SUMMARY BIOGRAPHY OF NGUYEN DUC THUAN PUBLISHED

OW080839 Hanoi VNA in English 0720 GMT 8 Oct 85

[Text] Hanoi VNA 8 October--The Hanoi press today prominently carries the obituary on the death of Nguyen Duc Thuan, member of the Communist Party of Vietnam Central Committee, member of the State Council, Presidium member of the Fatherland Front Central Committee, president of the Vietnam Federation of Trade Unions and member of the Executive Committee of the World Federation of Trade Unions, who died on 4 October at the age of 69.

Nguyen Duc Thuan was born Bui Phong Tu from a poor peasant family in Ban Ngu Village, Vu Ban District, Ha Nam Ninh Province (about 100 km south of Hanoi), he joined the Workers' Movement of Hanoi in 1936 and was admitted to the Indo-chinese Communist Party in 1937. From 1937 to 1940 he was secretary of the party organization among glass-making workers in Hanoi and then member of the Hanoi Party Executive Committee in charge of the workers' movement.

In late 1940 he was arrested by the French colonialists, sentenced to 15 years of hard labour and detained in Son La Prison, then the Con Dao (Paulo Condor) Island prison. After the triumph of the August Revolution he was welcomed back to the mainland together with other patriots and was appointed secretary of the party Executive Committee of Thu Dau Mot Province in the south. In 1946 he was made a member of the party Executive Committee of Nam Bo (South Vietnam) and then secretary of the party Executive Committee of the Seventh Zone. In 1947 he was elected deputy secretary of the party Executive Committee of Nam Bo.

In 1950 he was appointed head of the Commission for Front Work of the Party Executive Committee of Nam Bo and vice president of the Lien Viet (Vietnam National League) in the south.

From 1951 to 1955 he assumed various party works in the enemy-held areas in the south.

In July 1956 he was arrested by the puppet regime of the United States at the Saigon Zoo and was taken to different prisons, the last being Con Dao. He was released in 1964 from Con Dao. For 8 years he underwent unthinkable tortures without losing his faith in the party and the revolution.

Those years were recorded by Nguyen Duc Thuan in his famous memoirs entitled "Bat Khuat" (Indomitable) which has been translated into many foreign languages.

In 1966, he was given the charge of trade union work by the party Central Committee and in 1967 he became deputy secretary and then secretary of the party organization at the Federation of Trade Unions. In August 1980 he was elected president of the Vietnam Federation of Trade Unions.

Nguyen Duc Thuan was also a Presidium member of the Vietnam Fatherland Front Central Committee and member of the Executive Committee of the World Federation of Trade Unions.

He was elected National Assembly deputy for four consecutive legislatures, and to the Standing Committee of National Assembly's Sixth Legislature. In 1981, he was made a member of the State Council and since 1977 he also held the post of vice chairman of the State Planning Commission.

At the Fourth and Fifth National Party Congresses in December 1976 and March 1982 respectively, he was elected to the party Central Committee.

In recognition of his dauntless revolutionary flight and tireless work for the revolutionary cause of the Vietnamese people and working class, the Vietnamese state has decorated Nguyen Duc Thuan with the Ho Chi Minh order.

CSO: 4200/56

CHRONOLOGY

HANOI'S CHRONOLOGY OF EVENTS FROM 16 JUN-15 JUL 1985

Hanoi VIETNAM COURIER in English Aug 85 p 32

[Text] (16 June - 15 July)

June

16. Professor Dr Nguyen Tai Thu, Head of the Vietnam Acupuncture Institute is made an honorary member of the French Association for Research on Acupuncture on the occasion of his visit to France at the invitation of this association.

17. Berlin: Doctor Dan Hoi Xuan, Minister of Health of Vietnam, holds talks with Professor Dr Ludwig Mecklinger, Health Minister of the GDR on the strengthening of medical cooperation between the two countries.

- Closing session of the 8th Plenum of the Fifth Central Committee of the Communist Party of Vietnam on the problems of prices, wages and money, from 10 to 17 June. (See article on page 4)

20. Hanoi: A grand meeting is held to hail the first Vietnam Press Day and to celebrate the 60th anniversary of the first issue of the journal Thanh Nien (Youth), founded by the late President Ho Chi Minh on 21 June 1925.

21 - 27: Hanoi: Holding in Ba Dinh Hall of the 9th session of the 7th National Assembly (see article on page 4)

21 -28: A delegation of the Communist Party of India (CPI), led by Chandra Rajeswara Rao, General Secretary of the CPI National Council, pays a friendship visit to Vietnam. A press communique is published.

22 -24: Opening of the 5th Indochinese Friendship volleyball tournament involving teams from Vietnam, Laos and Kampuchea, in Thai Binh province (Vietnam).

- A Vietnamese Party and Government delegation, led by Minister Dang Thi, member of the Party Central Committee attends the 10th National Day of the People's Republic of Mozambique.

24 - 25: Ho Chi Minh City: Holding of the 5th session of the Committee for Economic Cooperation between Vietnam, Laos and Kampuchea.

25. Minister Vo Dong Giang, Special Envoy of the President of the SRV Council of State Troung-Chinh, attends the 25th National Day of the Republic of Madagascar.

26 -26: A Vietnamese Government delegation, headed by To Huu, Political Bureau member of the CPVCC and Vice-Chairman of the Council of Ministers; attends the 40th session of the CMEA (Comecon) in Warsaw.

25 June - 3 July: A Communist Party of Vietnam delegation, headed by Tran Huu Duc, member of the Party Central Committee and Vice-Director of the Central Control Commission, pays friendship visit to the People's Republic of Yemen.

26 June - 1 July: A Vietnamese Party and Government delegation, led by Le Duan, General Secretary of the Communist Party of Vietnam Central Committee, pays an official friendship visit to the Soviet Union. A joint declaration is published.

29 June - 2 July: A delegation of the Angolan Ministry for War Veterans, led by Minister of State for War Veterans Ose Domingos Francisco Tuta, Hero of the Angolan Armed Forces, pays a friendship visit to Vietnam.

30. The Hanoi People's Committee and the Ministry of Communications and Transport hold a ceremony to formally inaugurate the Chuong Duong bridge, the second largest bridge spanning the Red River in Hanoi. This bridge, entirely designed and built by Vietnamese engineers and workers is 1,210.96 metres long and 19.76 metres wide. The middle part is 7.40 metres wide with two lanes for heavy motor vehicles; the two side parts, 5 metres wide each are for light motor traffic.

July

1 -3: A Vietnamese delegation, headed by Vo Van Keit, Political Bureau member of the CPVCC, Vice-Chairman of the Council of Ministers and Chairman of the State Planning Commission, attends the Second Conference of the heads of the planning bodies of the three Indochinese countries held in Phnom Penh.

3 - 5: A delegation of the Japanese Foreign Ministry, headed by Toshio Goto, head of the its Asia Department, pays a visit to Vietnam.

3 - 12: A delegation of the Municipal Council of Villejuif (France) led by Vice Mayor Jean Pierre Gourmelon, pays a visit to Hanoi. Minutes are signed on the assistance to be provided by Villejuif to modernize the Saint Paul Hospital in Hanoi.

4. Berlin: Signing of an agreement on aid by the GDR to Vietnam for 1985.

4 - 12: A Communist Party of Vietnam delegation, headed by Tran Huu Duc, member of the CPVCC, pays a visit to the Arab Republic of Syria.

9. Hanoi: Holding of a seminar to celebrate the 700th anniversary of the victory over the Yuan invaders (1285 - 1985).

11. Hai Phong: The Ministry of Communication and Transport holds a grand ceremony to formally receive a number of locomotives given by the Polish Ministry of Communications and Transport.

14. Hanoi: French Ambassador to Vietnam Ivan Bastouil gives a reception on the occasion of France's National Day.

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